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INTERSTATE COMMERCE COMMISSION
OF THE UNITED STATES

MAY 1977—FEBRUARY 1979

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INTERSTATE COMMERCE COMMISSION REPORTS

Ex Parte No. 270 (Sub-No. 8)

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EX PARTE NO. 270 (SUB-NO. 8)

INVESTIGATION OF THE RAILROAD FREIGHT RATE STRUCTURE—PAPER AND PAPER PRODUCTS

Decided May 23, 1977

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1. Upon investigation of the railroad freight rate structure on paper and paper products, and in particular the effect of general freight rate increases thereon, developed history and present rate structure, made extensive cost-revenue comparisons, and composed other material measuring the reasonableness of the freight rate structure on paper and paper products.
2. Upon consideration of the record, found that the freight rate structures on paper and paper products are compensatory and not unreasonably high, that the impact of general freight rate increases applied to transportation of paper and paper products have not been self-defeating but have been necessary to offset increased costs, that the application of general increases authorized by the Commission has not caused any substantial distortions in the freight rate structures.
3. Order entered closing this phase of the Sub-No. 8 proceeding.

Nathan E. Ard, W. Donald Boe, Jr., Charles W. Burkett, Arthur E. Capps, T. M. Curran, Robert S. Davis, R. K. Dreiling, Joseph D. Feeney, Richard K. Fowler, Stuart F. Gassner, N. J. Harlovic, James L. Howe III, Foster A. Mattson, Thomas Monaghan, Joseph J. Nagle, C. Harold Peterson, William Power, Albert B. Russ, Jr., James L. Tapley, Donald L. Turkal, and *Louis Warchott* for respondents.

Joseph C. Lynch, Gilbert A. Mehling, and *Wm. R. Southard* Special Projects Staff, Bureau of Investigations and Enforcement.

John M. Cleary, John F. Donelan, John J.C. Martin, John K. Maser III, Roy E. Olson, Daniel L. Slover, David C. Sullivan, and *Daniel J. Sweeney* for shippers and other interested parties.

REPORT AND ORDER OF THE COORDINATOR

HARDIN, *Commissioner:*

This subnumbered proceeding was instituted to examine the rate structure for paper and paper products and is the outgrowth of the Coordinator's report in *Investigation of Railroad Freight Rate Structure,* 345 I.C.C. 1. As stated in that report, the principal areas for examination are: (1) the possible self-defeating nature of general rate increases on paper and paper products with respect to generating revenues; (2) disparities and distortions in the issue relationships caused by general rate increases; (3) the uneven revenue effects, if any, of general rate increases on freight rates for individual railroads; and (4) the effect of such general increases on providing sufficient revenues to induce the railroads to undertake improvements in service to meet shipper requirements.

The evidence in this proceeding was developed under a nonadversary procedure. A format for the presentation of evidence was established and all persons were given a full opportunity initially to submit evidence they deemed appropriate, including evidence of cost of service. Opportunity was likewise given all parties to present evidence in rebuttal and surrebuttal. In order to promote a nonadversary atmosphere throughout the proceeding, the parties were urged to consult with the Special Projects Counsel, an independent counsel appointed by the Commission to assist in the development of a record in the public interest.

The order instituting the proceeding directed the parties to submit evidence divided into six parts. These parts relate to the previously stated issues.

Under Part I, Railroad Freight Rate Structure on Paper and Paper Products, the parties were to submit production and marketing evidence to show the trend in the production of paper and paper products by commodity and geographic areas since 1966, accompanied by a narrative explanation of the factors that affect the level of production. Market structures and practices for the production, distribution, and sale of paper and paper products were to be described, including data showing the geographic location of manufacturing, processing, and storage facilities together with a narrative describing and explaining changes in the patterns of production and marketing. Data was to be submitted showing the trends in prices of paper and paper products by intermediate and end uses with an explanation of factors causing prices to change. The evidence was also to show the trends since 1966 in consumption of paper and paper products by intermediate and end uses with an explanation of factors causing changes in consumption, with imports and exports to be shown separately. Data was to be submitted showing the extent to which rail, motor, and water carriers, regulated and unregulated, including private transportation, have participated in the transportation of paper and paper products since 1966, including such pertinent traffic conditions and factors as origin, destination, volume, size of shipment, type of equipment, unit loads, length of haul, accessorial services, and rate and revenue characteristics. Further evidence was to be submitted with specific enumerated questions in the order, including evidence showing the effect of rate changes on the volume of paper and paper products shipped by rail as a share of total production, and the relationship of total rail transportation charges to the total costs of producing and marketing such commodities. Finally, the parties were to submit representiative rates and narratives depicting the movement of traffic under the railroad freight rate structure, the history thereof, and formulas upon which the freight rates on paper and paper products are based, with the current rates reflected at the Ex Parte No. 310 level.

Under Part II, Self-Defeating Nature of General Increases on Paper and Paper Products, the respondents were to show the general rate increases sought, those authorized by the Commission, and those actually applied by the carriers or any other rate change on all significant movements of paper and paper products beginning with and subsequent to the Ex Parte No. 256 increases. Reasons for application of increases less than those authorized were to be set forth, as well as other rate changes. Evidence could be submitted by any party to show that general rate increases on paper and paper products may or may not have been self-defeating in nature with respect to generating revenues. Further evidence was to be submitted by any party on the extent to which production and sale of paper and paper products are sensitive to changes in the price of such commodities.

Under Part III, Disparities and Distortions Caused by General Increases, any participant could submit evidence relating to rate changes effectuated by general rate increases beginning with and subsequent to Ex Parte No. 256 increases, which may have resulted in disparities or distortions between competing shippers and/or localities. This evidence was to be accompanied by formulas upon which the freight rates on paper and paper products are based and by complete tariff references for all rates shown. This evidence was to specify any reason, if known, for such disparities and distortions.

Under Part IV, Uneven Effects of Increases on Individual Railroads, any party could submit evidence to show the uneven revenue effects (if any), of general freight rate increases on individual railroads, why these results may have occurred, and what corrective action could be taken to remedy these effects.

Under Part V, Railroad Service, the parties were asked for evidence bearing on the issue of whether general increases have provided sufficient revenues to induce the railroads to undertake improvements in service to meet shippers' requirements and evidence as to whether the railroads, in their proposed rates in general rate increase proceedings, have taken into account possible variations in paper and paper products services being provided shippers.

Under Part VI, Matters Not Otherwise Listed, the parties were instructed to submit their evidence, including revenue-cost relationships, into one or more of the categories listed in parts II through V above. Evidence submitted under part VI was to specifically indicate the purpose for which it is being introduced and the reason it does not come into focus within one of the five foregoing categories. The principal focus of the Coordinator in *Investigation of the Railroad Freight Rate Structure, supra,* was to be kept in mind.

Highlights of the Report

-O- Furnishes the Commission, public interest groups, shippers, and carriers with detailed information concerning the freight rate structure on paper and paper products for future use.
-O- Contains revenue-cost comparisons relating to the compensatory nature of the freight rate structure on paper.
-O- Contains comparisons of freight rates, and ton-mile and car-mile earnings derived therefrom.
-O- Contains a number of indexes for measuring the reasonableness of the freight rate structures.
-O- Describes the volume of movements interterritorially and intraterritorially.

At times in this report the editorial "we" is used. However, the report is the sole responsibility of the Coordinator and does not necessarily reflect the views of the Commission. Exceptions to this report may be filed in accordance with the Commission's General Rules of Practice. However, as indicated by the Coordinator's report, *Investigation of Railroad Freight Rate Structure, supra,* at 2042, the future handling of this study will be informal and the entry of a Commission order is not contemplated.

Part I—The Freight Rate Structure on Paper and Paper Products

(A) *Background.*—The purpose of part I is to give a detailed analysis of the railroad rate structure on paper and paper products. While the term "rate structure" is commonly used, and will be used in this report, it is a fallacy to assume that the railroads have a single freight rate structure on paper. The railroad rate structures on a particular commodity consist of numerous schedules of charges for rail transportation services.

The reason for choosing one basis of rates against another in building a freight rate structure for a particular movement or movements of a commodity are numerous. The most important reasons are: volume of traffic; carrier competition; competition between commodities; market competition; the cost of service; and Federal and State laws and regulations governing the transportation services.

The freight rate structures for paper reflect the economic needs of the industry and the carriers. The rate structure for paper is notable in that, after extensive litigation for over 40 years, the industry and railroads cooperatively developed the APPA (American Pulp and Paper Association—predecessor to the American Paper Institute) long-haul scale of rates. These rates currently are applicable throughout most of docket No. 28300 territory. A negotiated rate structure is also found on the transcontinental rates. Since the development of these rates, there has been little litigation over the rate structure for paper. Indeed, the parties are generally in agreement that the rate structure for paper as it exists is adequate to meet the needs of the carriers, industry, and public. The parties also point to continual negotiations between the industry and the carriers to adjust the rate scales when the need arises.

The term "paper and paper products" generally encompasses the articles listed in category 26 of the Standard Transportation Commodity Code (STCC), as published in the Standard Transportation Commodity Code Tariff No. 1-B, ICC C-998, filed by Traffic Executive Assn.-Eastern Railroads and others. This proceeding, in addition to including most of the articles listed in category 26 of the STCC, may also include in various rate tariff applications other paper products such as STCC 27 417 62, calendar desk pads, STCC 39 551 15, paper, carbon, one time, and STCC 27 417 41, labels, not elsewhere classified, as well as other similarly related products. Excluded from this investigation by order providing for the submission of evidence are STCC 26 111, pulp; STCC 26 112, pulp mill products; STCC 26 461, bituminous fiber pipe; and STCC 26 6, building paper or building board.

Americans consume paper and paper products at an annual rate of 639 pounds per person, making the paper industry one of the 10 largest manufacturing industries in the Nation. In 1974, paper and allied products shipments exceeded $39 billion, amounting to nearly 4 percent of the value of all manufactured goods. The industry produces a high-volume, low-cost product with a wide variety of end uses and is characterized by high productivity, reliable sources of raw materials, and stable prices. Large and diversified, the paper industry provides a strong resource base important to the continued economic growth and development of the Nation.

The paper industry is one of the oldest manufacturing industries in the United States. Yet, in spite of its age, the industry has recorded continued growth. The growth of the paper industry is reflected in its production statistics which are contained in the table below:

TABLE I

U.S. Paper and Board Production,[1] *imports, exports and apparent consumption for the years 1960-1973*

Year	Production	Imports	Exports	Apparent consumption
		Net Tons		
1960	34,444,317	5,721,133	1,026,962	39,138,488
1961	35,749,430	5,778,172	1,215,570	40,312,032
1962	37,540,902	5,867,973	1,192,816	42,216,059
1963	39,230,020	5,825,775	1,340,798	43,714,997
1964	41,703,408	6,385,795	1,704,933	46,384,270
1965	44,079,880	6,800,332	1,778,472	49,101,740
1966	47,113,493	7,519,781	1,953,755	52,679,519
1967	46,925,753	7,114,643	2,095,692	51,944,704
1968	51,245,160	7,058,456	2,639,175	55,664,441
1969	54,187,214	7,493,492	2,765,632	58,915,074
1970	53,516,171	7,267,188	2,843,193	57,940,166
1971	55,085,805	7,617,316	3,145,781	59,557,340
1972	59,457,076	8,032,651	3,103,738	64,385,989
1973 (P)	61,833,174	8,477,225	3,070,463	67,239,936

[1] Includes construction paper and board.

(P) Preliminary estimate.

Source: American Paper Institute: Statistics of Paper and Paperboard 1973, table XXVIII

Part I(A)1: Geographical location of papermills and production

The paper industry originated in the Northeast and this area has the oldest mills. Although the Northeast contains one-third of the papermills in the country, output in tonnage is less than one-fifth of the total. The leading grade of paper manufactured in the Northeast is writing, which rose about 50 percent between 1964 and 1974. A very close second to writing paper in output is tissue grades, which increased about 35 percent in production during the same period. Next in line are machine-coated papers, which have increased about 45 percent since 1964 and will continue to have a substantial capacity increase in 1976. Another strong line is book papers, with a growth of 30 percent.

The paper and paper products industry is concentrated in four areas within the United States. The southern area, which includes 14 States and runs from Maryland to Florida and westward to Texas, produces approximately 49 percent of the Nation's production of paper and board. The Pacific Northwestern producing States of Washington, Oregon, and California produce approximately 14 percent of the Nation's output. The remaining 37 percent of the Nation's production of paper and board products production is distributed fairly equally throughout two distinct sections of what closely resembles the official territory. Within this section, the Lake States of Wisconsin, Michigan, Ohio, Minnesota, and Illinois account for approximately 19 percent of the Nation's output of paper and paper products. The New England States plus New York, New Jersey, and Pennsylvania constitute the fourth area and account for approximately 18.1 percent of the Nation's output.

The following table shows the geographical distribution of the paper industry as well as the percentage of total production in relationship to geographical origins. Data for personal income is presented to show a correlation between the spatial distribution of the converted products segment of the paper industry and personal income. This correlation shows that converting mills tend to locate near areas of high personal income.

TABLE 2

Geographical distribution of the paper and pulp industry

	Woodpulp	Paper and board	Converted products	Personal income
		Percentage of total		
New England:				
Massachusetts	*	1.3	5.0	3.0
Maine	4.8	4.4	*	0.4
Other	1.0	2.0	3.4	2.8
	5.8	7.7	8.4	6.2
Middle Atlantic:				
New York	*	3.5	8.9	10.7
Pennsylvania	1.3	4.1	7.6	5.8
New Jersey	*	2.3	5.9	4.1
	2.6	9.9	22.4	20.6
North Central:				
Illinois	*	1.9	8.3	6.2
Ohio	1.0	3.7	5.8	5.2
Michigan	1.3	4.1	4.0	4.7
Indiana	*	0.8	2.6	2.5
Missouri	*	0.2	2.5	2.2
Wisconsin	3.7	5.9	6.3	2.0
Minnesota	1.7	2.2	*	1.8
Other	0.9	0.4	4.2	3.6
	8.6	19.2	33.7	28.2
South:				
Texas	*	3.3	2.6	5.0
Florida	6.5	3.8	2.4	3.2
Virginia	4.7	4.1	1.5	2.1
Georgia	11.1	8.0	3.1	2.0
Louisiana	7.5	6.1	*	1.4
Alabama	8.5	6.2	*	1.3
South Carolina	5.0	3.8	*	1.0
Arkansas	3.8	2.7	*	0.7
Mississippi	5.2	*	*	0.7
Other	12.7	11.2	14.2	9.5
	65.0	49.2	23.8	26.9
West:				
California	*	3.1	8.0	11.0
Washington	7.5	4.5	*	1.7
Oregon	6.0	5.0	*	1.0
Other	4.5	1.4	3.7	4.4
	18.0	14.0	11.7	18.1
Total	100.0	100.0	100.0	100.0

Source: Noble, Patricia, Editor, "Marketing Guide to the Paper and Pulp Industry," p. 29.

According to the "1972 Census of Manufacturers,"[1] there are 358 firms operating under Standard Industrial Classification (SIC) 2621, (Paper Mills, except Building Paper). The next table is a State-by-State listing of the numbers of major paper-producing establishments, by type, located within each State. Following that is a table showing by region the number and capacity of papermills.

TABLE 3

Regional capacity of the paper industry pulp, paper, and board: number of mills and capacity, 1972

	Paper and board		Woodpulp	
	Number of mills	Yearend capacity	Number of mills	Yearend capacity
		000 Tons		*000 Tons*
Northeast	255	11,697	44	4,357
New England	112	5,253	19	2,812
Maine	21	2,985	14	2,336
New Hampshire	20	591	2	(D)
Vermont	8	(D)	1	(D)
Massachusetts	45	958	---	---
Rhode Island	1	(D)	1	(D)
Connecticut	17	470	1	(D)
Middle Atlantic	143	6,444	25	1,545
New York	61	2,306	13	(D)
New Jersey	33	1,529	3	(D)
Pennsylvania	49	2,609	9	799
North Central	179	12,017	60	4,469
East North Central	156	10,383	46	3,493
Ohio	37	2,314	6	492
Indiana	13	537	1	(D)
Illinois	22	1,246	8	(D)
Michigan	37	2,659	8	940
Wisconsin	47	3,627	23	1,716
West North Central	23	1,634	14	977
Minnesota	13	1,284	10	853
Iowa	3	143	2	(D)
Missouri	5	125	2	(D)
North Dakota	---	---	---	---
South Dakota	---	---	---	---
Nebraska	---	---	---	---
Kansas	2	81	---	---

See notes at end of table.

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[1] U.S. Department of Commerce, Bureau of the Census.

Regional capacity of the paper industry pulp, paper, and board; number of mills and capacity, 1972—Continued

	Paper and board		Woodpulp	
	Number of mills	Yearend capacity	Number of mills	Yearend capacity
		000 Tons		*000 Tons*
South	176	30,923	121	32,057
South Atlantic	81	14,777	52	15,486
Delaware	5	(D)	---	---
Maryland	5	527	2	(D)
Virginia	13	2,394	8	2,146
West Virginia	3	(D)	---	---
North Carolina	14	2,069	8	(D)
South Carolina	9	2,286	7	2,260
Georgia	20	4,674	18	5,092
Florida	12	2,709	9	3,488
East South Central	45	7,807	35	8,331
Kentucky	3	(D)	3	(D)
Tennessee	16	1,695	8	(D)
Alabama	17	3,870	16	4,194
Mississippi	9	(D)	8	2,414
West South Central	50	8,339	34	8,239
Arkansas	11	1,588	7	1,740
Louisiana	17	3,846	14	3,790
Oklahoma	6	900	3	(D)
Texas	16	2,005	10	(D)
West	83	8,926	54	9,314
Mountain	6	891	3	901
Montana	1	(D)	1	(D)
Idaho	2	(D)	1	(D)
Wyoming	---	---	---	---
Colorado	1	(D)	---	---
New Mexico	---	---	---	---
Arizona	2	(D)	1	(D)
Utah	---	---	---	---
Nevada	---	---	---	---
Pacific	77	8,035	51	8,414
Washington	18	2,779	18	3,853
Oregon	27	3,261	23	3,173
California	32	1,995	8	(D)
Hawaii	---	---	---	---
Alaska	---	---	2	(D)
Total United States	693	63,563	279	50,198

(D) Data withheld to avoid disclosure of individual company data.

(-) Data not available separately, included in regional total. Wyoming is the only State with no establishment in the Paper and Allied Products Industry.

Source: American Paper Institute, "Statistics of Paper and Paperboard, 1974," p. 22.

TABLE 4

Paper Industry Mills[1] State-by-State location

State	Pulp mill	Paper mill	Board mill	Total[2]
Alabama	17	8	10	35
Alaska	2	0	0	2
Arizona	1	2	1	4
Arkansas	9	9	5	23
California	6	17	22	45
Colorado	0	0	1	1
Connecticut	1	7	12	20
Delaware	1	5	2	8
District of Columbia	1	1	1	3
Florida	10	5	9	24
Georgia	17	6	13	36
Idaho	1	1	1	3
Illinois	1	15	11	27
Indiana	2	4	8	14
Iowa	2	0	3	5
Kansas	0	0	2	2
Kentucky	3	2	1	6
Louisiana	17	14	10	41
Maine	21	17	6	44
Maryland	2	2	3	7
Massachusetts	1	43	13	57
Michigan	10	21	23	54
Minnesota	9	6	6	21
Mississippi	6	4	8	18
Missouri	2	3	5	10
Montana	1	0	1	2
New Hampshire	4	15	8	27
New Jersey	2	18	20	40
New York	16	50	25	91
North Carolina	11	8	9	28
Ohio	5	22	26	53
Oklahoma	1	3	4	8
Oregon	18	15	17	50
Pennsylvania	8	32	24	64
Puerto Rico	2	1	1	4
Rhode Island	----------	1	1	2
South Carolina	9	4	6	19
Tennessee	14	7	9	30
Texas	12	11	7	30
Vermont	1	8	2	11
Virginia	10	5	11	26
Washington	29	14	9	52
West Virginia	0	1	2	3
Wisconsin	31	39	12	82

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[1] Miller and Freeman Publications, Inc., "Pulp and Paper Mill Map," 4th Ed., San Francisco, Calif. The "total" column does not necessarily indicate the number of separate mills in each State since many operations are physically side by side.

[2] Figures include board mills under construction as of the date of this map.

As these tables show, the greatest number of mills are located in the North, while the largest capacity is located in the South.

Since the South harvests almost two-thirds of the wood used in making woodpulp which is the primary base material of the industry, it is not surprising that 62 percent of the paperboard and pulpwood are produced in the South along with some 36 percent of the paper production. Paper manufacture is also extremely important to the Northeast and North Central, much of which production goes into converted paper products. In the West all grades are produced in somewhat more balanced proportions.

The paper industry consists of a small number of firms producing a large part of industry sales. Estimates for 1971 show that 41 companies, all with sales of paper of at least $100 million, accounted for 49 percent ($12,540 million) of the industry's total sales. The four largest firms in the paper industry accounted for approximately 12 percent of total sales. In general, the production of primary paper and board (producer goods) and sanitary paper shows high concentration while converted products tend to show lower concentration. The table below shows the four firm concentration ratios for the different segments of the industry. These ratios vary widely, from 63 percent in sanitary products to 12 percent in assembled paperboard boxes. The reason sanitary paper products show such high concentration is because it is a consumer-oriented product where name-brand preference is important. Since there is very little product differentiation in the sanitary paper products line, advertising and marketing expenditures are considerable.

TABLE 5

Concentration ratios in the pulp and paper industry, 1935-1967

	Percent accounted for by 4 largest companies measured by value of shipment					
	1967	1963	1958	1954	1947	1935
Pulpmills	45	48	46	----------	----------	----------
Papermills	26	26	----------	----------	----------	----------
Paperboard mills	27	27	----------	----------	----------	----------
Envelopes	32	32	30	27	30	33
Bags, except textile bags	23	22	----------	----------	----------	----------
Wallpaper	39	31	41	40	49	41
Sanitary paper products	63	62	----------	----------	----------	----------
Converted paper products	29	23	----------	----------	----------	----------

Concentration ratios in the pulp and paper industry, 1935-1967—Continued

	Percent accounted for by 4 largest companies measured by value of shippers					
	1967	1963	1958	1954	1947	1935
Folding paperboard boxes	22	21	--------	--------	--------	--------
Set-up paperboard boxes	12	12	--------	--------	--------	--------
Corrugated and solid fiber boxes	18	20	--------	--------	--------	--------
Sanitary food containers	49	52	--------	--------	--------	--------
Building paper and board mills	46	47	--------	--------	--------	--------
Veneer and plywood containers	44	39	27	30	31	--------

Source: An Economic Analysis of the Pulp and Paper Industry (Wash. State Univ. Press, 1972), p. 16.

In recent years there has been an absence of merger activity between relatively large-size paper companies. However, many of the large paper companies have acquired several medium-size paper firms, representing a trend towards diversification to other paper product lines.

Due to the combined pressure of poor profitability and governmental pressure to reduce pollution, the industry has in recent years closed many economically marginal mills. Some of these mills, however, have been purchased and modernized and are now operated by other companies. Some other small, nonintegrated mills have found it necessary to cut back on their production lines in order to concentrate on specialized, higher profit grades of paper.

In general, there is very little product differentiation among the major grades of paper and paper products. The kraft linerboard of one company is difficult to distinguish from that of another company. As a result, competition tends to be confined to the areas of regional cost advantage and technical improvement in the production processes. Converted products, on the other hand, show a slightly larger degree of product differentiation. Paper products are not highly advertised since they are for the most part intermediate products sold to other manufacturers.

Competition in small volume and specialty products is somewhat different than that of the industry as a whole. It is generally agreed that the minimum size of an integrated mill is approximately 300 tons per day. Many older mills are too small for integrated production and, because they do not enjoy economies of scale, seek to remain competitive by specialized production. For example, many nonintegrated New England mills, with higher material costs, lower wage scales, and older, slower machines have come to avoid mass production grades such as kraft and newsprint but, instead, concentrate on higher priced lines such as high-rag content papers, technical and other custom papers. In addition, these firms try to remain competitive by seeking to utilize new and different raw materials such as wastepaper, synthetics, and glass fibers.

There is a general tendency for papermills to locate near their basic raw materials of timber and water. Thus, the primary mills tend to locate some distance from the consumers who are located in urban centers. Converted paper products and containers generally locate closer to their customers. The next table illustrates this tendency where 33 percent of the paper group and 38 percent of the pulpboard were shipped less than 300 miles while 45 percent of the converted products and 41 percent of the containers were shipped within a 300-mile radius.

TABLE 6

Miles	Paper STCC 262		Pulpboard STCC 263		Converted products STCC 264		Containers STCC 265	
	Tons shipped	Percent	Tons shipped	Percent	Tons shipped	Percent	Tons shipped	Percent
Under 100	1,432	8	2,885	13	1,892	15	388	13
100-199	2,205	12	2,759	13	2,137	17	468	16
200-299	2,380	13	2,486	12	1,681	13	348	12
300-499	3,500	19	3,475	17	2,253	17	480	17
500-999	6,599	37	7,469	36	3,709	29	657	22
1,000-1,499	1,249	7	1,380	7	662	5	278	10
1,500-up	770	4	460	2	483	4	284	10
Totals	18,139		20,918		12,820		2,877	

Source: U.S. Department of Commerce, Bureau of Census, 1972 Census of Transportation of Pulp, Paper, & Allied Products 1972. TC72 C1-2 U.S. Government Printing Office, Washington, D.C., 1974.

A similar tendency is evident in the method of shipment. Note in the next table that a high percentage of the paper and pulpboard are moved in rail service while converted products and containers tended to move in private truck and motor carrier service, showing a somewhat higher service requirement for these products. However, because the volume of basic papers and pulpboard is so much greater, the paper industry is generally thought of as one having predominantly long-haul traffic.

TABLE 7

Major paper products percentage distribution by mode of transport

	All means	Rail	Motor	Private truck	Water	Unknown
STCC 262 Paper, Except Building Paper	100.0	58.7	32.7	7.6	.8	.2
STCC 263 Paperboard, Pulpboard and Fiberboard	100.0	71.9	15.1	10.8	2.2	0
STCC 264 Converted Paper and Paperboard Products, Except Containers	100.0	51.3	34.8	12.4	1.2	.3
STCC 265 Containers and Boxes, Paperboard	100.0	7.2	40.8	51.3	.2	.5

Source: U.S. Department of Commerce, Bureau of Census, 1972, Census of Transportation of Pulp, Paper, & Allied Products, 1972. TC72 C1-2, U.S. Government Printing Office, Washington, D.C., 1974.

Part I(A)2: Size and technology

In 1974 the Nation's paper and board mills employed approximately 217,000 persons. The number of persons employed in the industry has remained fairly stable over the last decade. Output per man-hour, on the other hand, has shown significant increases over the same time period.

According to the American Paper Institute (API), the industry has added very substantially to its productive capacity via massive investments of capital. Paper and paperboard capacity at the close of 1954 was reported by API to be 22 million tons annually. As of the end of 1973, practical maximum capacity amounted to 65.3 million annual tons, about 2.84 times the rate just two decades earlier, indicating an average growth of 4.1 percent per year in the industry's productive capacity capability. During that same period, woodpulp capacity rose from 12 million tons to 51 million tons. This 4.3-fold growth computes an annual increase of 5.7 percent per year.

The paper industry can be described as extremely capital intensive, needing large investments in plant and equipment for efficient operation. Thus the industry is described as production oriented rather than market oriented.

Although new uses for paper are constantly being developed, these applications are for the most part originated by research outside the industry. This situation is illustrated by the relatively low level of industry expenditures on research and development. In contrast to the large sums spent on plant and equipment, the paper industry spent $187 million on research and development in 1971. This represents approximately 0.7 percent of sales as opposed to a rate of 2.7 percent for all manufacturing industries. A large portion of the money devoted to research goes for chemical byproducts and control of pollution.

The Special Projects Staff (SPS) states that the paper industry's less than average profits are related to its large capital requirements, the ease of acquiring the necessary technology by competitors, and competition among a great many companies making paper products.[2] Although new mills require heavy investment and considerable lead time, the technology of papermaking is available to potential producers from recognized engineering firms and equipment manufacturers. If, for example, forecast demand rises, a number of new and/or old companies might build new mills or expand capacity simultaneously. Consequently, the industry becomes vulnerable to periodic overexpansion. During such periods, individual companies tend to maintain or even cut prices in spite of rising costs so that they can keep their machinery running as near to capacity as possible. Unfortunately, cutting prices cannot cure a condition of overcapacity since there is relatively little price elasticity of demand for paper products. There is no high-volume substitute for most paper products at a comparable price, and, in most applications, paper is a comparatively small component of the product or service in which it is used. Price cutting, therefore, may shift business from one mill to another, but it will not affect total consumption.

According to SPS, a second measure of economic performance is price stability, indicating the ability of a firm to control prices. A very large firm that unilaterally reduces prices may force a general price decline because its production is large enough to force others to do the same. By the same token, a price rise by a large producer may result in its competitors' following suit.

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[2] SPS points out that the trend for profits in the paper industry is downward and that this trend indicates a possible increase in competition within the industry. However, SPS does not back up this statement with any other facts nor does it take into account factors such as mandatory wage-price controls, compliance with new environmental laws, various recessions, the oil embargoes during the 1970's, and inflation.

Productivity is another measure of economic performance. In 1971, average sales per employee for the industry were $40,000 compared to average sales for all manufacturing of $36,000. Sales per employee varies considerably, with figures as low as $17,000 in the manufacture of rigid paperboard boxes to as high as $74,000 in the more modern and mechanized manufacture of sanitary paper products.

The paper industry spends slightly less on payrolls as a percentage of sales than the average of all manufacturing—21.6 percent versus 23.4 percent—but, again, this percentage varies considerably from 12.4 percent for sanitary products to 36.1 percent for rigid paperboard boxes, reflecting the capital-intensive nature of the industry.

Productivity as measured by physical output per (employee) hour showed significant increases during the 11-year period 1962-1972. The following table shows an average increase for this period of 4.1 percent. Unfortunately, these gains in productivity were largely eclipsed by the rate of growth in hourly earnings, which averaged 5.1 percent per year over the same period. This, plus increased costs of raw materials, energy, and administration, combined with slow growth in prices, contributed to decreased profits. During this 10-year period, industry's wage bill rose approximately 6.2 percent per year, a full 1 percent greater rate than physical output per man-hour.

TABLE 8

Productivity and average hourly earnings in the paper industry 1962-1972

	Production workers	Average weekly hours	Average hourly earnings	Index of physical output per man-hour 1967 = 100	Computed annual wage bill	Indexes 1967 = 100		
						Physical output	Dollar shipments	Prices
	Thousands				*Millions*			
1962	486.0	42.5	$2.40	83.0	$2,578	76.1	74.7	96.3
1963	486.4	42.7	2.48	87.3	2,678	80.5	78.0	95.6
1964	488.8	42.8	2.56	92.5	2,785	85.9	82.0	95.4
1965	497.7	43.1	2.65	96.6	2,956	92.1	88.5	96.2
1966	518.2	43.4	2.75	100.4	3,216	100.3	97.4	98.8
1967	526.3	42.8	2.87	100.0	3,362	100.0	100.0	100.0
1968	536.2	42.9	3.05	103.8	3,648	106.0	106.4	101.1
1969	550.5	43.0	3.24	108.7	3,988	114.2	114.7	104.0
1970	543.2	41.9	3.44	112.1	4,071	113.3	117.6	108.2
1971	523.2	42.1	3.67	118.4	4,204	115.8	120.9	110.1
1972	537.2	42.8	3.93	123.6	4,699	125.9	134.5	113.1
Average annual growth, 1962-1972 ---percent	1.0	0.1	5.1	4.1	6.2	5.2	6.1	1.1

Paper products can be divided by end use into two broad categories: industrial and consumer. By far the largest proportion of paper products are utilized by industry in the form of (1) product packaging: boxes, bagging materials, wrapping paper, food and liquid containers, and linerboard, (2) printing materials: newsprint and printing paper, and (3) construction uses: construction board and wallpaper. Consumer use of paper products is largely confined to the sanitary paper products line and the writing paper products line.

Paper production in 1970 and 1972 was distributed among various uses as shown in the following table.

TABLE 9

Total consumption

	1970	1973p[1]
	Millions of tons	
Total paper and board	57.9	67.2
Newsprint	9.8	10.7
Groundwood and book	7.4	8.4
Writing and related	2.9	3.7
Packaging and converting	4.9	5.3
Sanitary and tissue	3.9	4.1
Paperboard	23.3	27.4
Other	5.7	7.6

[1] p = preliminary

Source: American Paper Institute, "Statistics of Paper and Paperboard, 1974."

Part I(A) 3: Production of paper

Virtually all paper is made from cellulose fiber, a polymeric carbohydrate that makes up the cell walls or fibers of plant tissues. While at one time cellulose was obtained from cotton and linen rags or straw, today the most important sources of cellulose fiber are virgin wood, waste wood, wastepaper, and rags.

By far the most important fibrous raw material used for papermaking is wood. In 1971, approximately 79 percent of all fibrous materials consumed in paper and board manufacture was woodpulp, either from roundwood or from wood residuals (chips, sawdust, et cetera). For many years northern softwoods were the only suitable source of pulpwood because the longer fiber length (three-sixteenths inch compared to one-sixteenth inch for hardwoods) gave it superior matting properties. By the 1930's the industry was pulping southern pine which opened up new forest areas to pulpwood. In the 1950's bleached pulps were being made from southern pine and in the Northwest from douglas fir and other species growing there.

More recently, with development of technology to permit the processing of various residue fiber materials from the forest industries such as sawdust, chips, edgings, and other scrap fiber into a satisfactory pulping stock for papermaking, some of the largest lumber companies have entered into the paper industry. These companies, primarily located in the Pacific Northwest, have constructed new pulp and papermaking facilities and, in some cases, acquired existing plants near the source of residue fiber materials.

Wastepaper is also an important source of fiber for papermaking. Over the last 20 years it has amounted to approximately 20 percent of fibrous material inputs to the industry. Consumption of waste paper is largely determined by two factors: (1) the price of pulpwood, and (2) the difficulty of collecting and sorting the waste paper. Use of wastepaper is mostly confined to the lower grades of printing paper and paperboard.

Rags were the primary source of cellulose for paper manufacture prior to the twentieth century, but today they make up less than 2 percent of fiber inputs. Their use is normally confined to the production of the highest grades of writing and printing papers and paper money.

Since pulpwood is the primary raw material used in the paper industry, the degree of industry ownership of raw material resource supplies plays a significant role in determining the degree of integration within the industry and the relative level of competition. The first stage in the manufacture of paper and paper products is the collection of materials, primarily wood, suitable for conversion to pulp. The tree species used, the form in which it is received, the source from which it comes, and the method of transportation will vary widely from mill to mill depending upon the end products as well as vary from area to area depending upon the intricacies of the firm in question.

In 1973, the total production of pulpwood in the United States amounted to 76.5 million cords. Of this amount, 56.8 million cords were softwoods. Pulpwood production was largely concentrated in the three major paper producing areas of the United States. In 1973 the South produced approximately 46.3 million cords of pulpwood, the North 12 million cords, and the West 18.2 million cords of pulpwood.

The Nation's forests provide a plentiful and renewable source of pulpwood for the paper industry. Approximately one-third, or 754 million acres of the 2.3 billion acres of land in the United States, was classified as forest land in 1970. The southern paper producing region draws on approximately 211.8 million acres of forest land; the North on approximately 186.5 million acres of forest land, and the western paper producers draw on approximately 345.1 million acres of land for their respective supply of pulpwood. The southern region utilizes basically southern pine and a mixed variety of hardwoods for its pulpwood supply. The West, on the other hand, draws its pulpwood supply almost entirely from the softwood varieties of trees such as douglas fir and ponderosa pine. Approximately 60 percent of the North's production of pulpwood was from hardwoods. The primary pulp-producing States in the South are: Florida, Louisiana, Georgia, and Alabama; in the West: Washington and Oregon; and in the North, Maine.

In all major paper-producing areas, pulpwood is obtained from a variety of sources. Mills own or lease substantial acres of timberland from which pulpwood is cut, either by the companies themselves or by contract loggers. Federal, State, and local government forest land, as well as privately owned lots, provide the remaining source of pulpwood supply. In the West, a substantial portion of pulpwood is logged from federally owned forest lands operated by either the U.S. Department of Agriculture's Forest Service, or the U.S. Department of the Interior, Bureau of Land Management. In the South, most pulp and paper companies own large timber holdings and obtain a good portion of their pulpwood requirements from this source. Through modern methods of tree farming, the South is able to assure itself a plentiful supply of pulp. However, most southern firms prefer to hold company-owned land in reserve and draw their supply of pulpwood from independent log contractors or from farmers and small woodlot owners. In the North, more than 80 percent of the industry's pulpwood requirement is supplied by farmers, small woodlot owners and company lands. In the Lake States, approximately 50 percent of the roundwood pulpwood requirements comes from public lands.

Besides the pulpwood removed from the forest land area, the paper industry has increasingly utilized chips and residue from either sawmills or other wood using plants as a primary source of pulpwood supply. Each plant, again depending on the intricacies of the particular firm in question, will utilize varying amounts of pulpwood or residue. In 1970, approximately 17 percent of southern pulp requirements came from residue; in northern mills approximately 14 percent, and in western mills, approximately 73 percent were obtained from this source.

The papermaking industry also consumed 11 million tons of wastepaper in 1971. This represents 19 percent of the total input of fibrous materials. The highest volume and grade comes from old corrugated containers. Other major grades of paper stock come from newspapers and mixed papers. Current consumption of paper stock is only 25 percent of theoretical potential. One difficult problem in recycling more of existing wastepaper is collecting and sorting, both labor-intensive operations. Another is the removal of contaminants in the recycling process, such as coatings, laminates, and ink.

Less than 2 percent of pulpwood used in the United States is obtained from sources other than wood or wastepaper. This portion, which consists basically of rags, is used exclusively to obtain special properties; *e.g.*, rag pulp makes superior paper with maximum strength, desirability, and permanence.

The pulp and paper industry is the sixth largest buyer of chemicals in the United States, amounting to over 12 million tons in 1971. These chemicals are used in the papermaking process as pulping and bleaching agents, while a small but growing proportion is added to the paper itself as conditioning agents, pigments, coatings to aid printability, and binders. Most of these chemicals are purchased from chemical companies, although there is a trend for papermaking companies to manufacture and recycle their own chemicals where practicable.

The manufacture of paper requires an enormous amount of clean, processed water. It has been estimated that in 1969 the average water used per ton of pulp was 53,000 gallons. The amount of water used varies greatly with the types of process and the equipment used. For example, the water used in the debarking process may vary from 0 to 7,500 gallons per ton. In pulping, the use of water varies from 1,000 gallons per ton of groundwood to over 30,000 gallons per tons for sulfite. Bleaching may use from 1,000 gallons per ton of groundwood to 100,000 for chemical pulps.

The amount of water "consumed" depends largely on the proportion of water that is reused, which in turn is dependent on the quantity available and the cost to use. On the whole, the industry has a high rate of water reuse. Gross water use is approximately 2.9 times water intake.

While it is somewhat difficult to predict the adequacy of future water supplies, the supply of water is relatively abundant in those areas where pulpwood grows. Available studies indicate that future supplies of water should not be a limiting factor on growth of the industry.

To portray the paper industry's raw material supply channels, it is important to reemphasize three points mentioned above. First, the paper and allied products industry tends to locate near the raw material sources of pulpwood and water. Thus, the distance to market is appreciable and the paper and paper products industry is extremely dependent upon an efficient transportation network to move the industry's end products to the market. Second, since World War II mills have increased their utilization of wood wastes in the form of woodchips and residue from other wood-using industries. This shift in demand, besides gradually freeing the industry from dependence upon roundwood sources of pulpwood, will supposedly encourage the industry to become more integrated, with plants designed to utilize the residues produced from company sawmill operations gradually dominating the industry. Third, the development of modern tree farming practices has led to extensive tree farming. The utilization of tree farming for developing continuous sources of pulpwood supply enables more efficient operations and reduces the area of timber cut from public sources.

There are over 1,000 different paper and allied product items varying in raw material makeup, quality or grade, and size. Standard paper and allied product items, however, vary little from company to company, with the major difference being one of grade. Often producers find it difficult to develop a proprietary product, while consumers find it equally difficult to differentiate between the same items offered by individual producers (i.e., facial tissue). The most important end uses of the paper industry fall into six distinct categories: (1) packaging, (2) printing and publishing, (3) stationery and other converted products, (4) building and construction, (5) sanitary disposables, and (6) industrial products. The table below lists total production figures and apparent consumption of paper and board products on an historical basis.

TABLE 10

U.S. Paper and Board Production, Imports, Exports, and Consumption Census Data

(IN TONS OF 2,000 POUNDS)

ALL GRADES—TOTAL				Apparent consumption				
Year	Production	Imports	Exports	Tons	Pounds capita	000 tons per billions of dollar of real GNP.	Population	Gross national product in 1958 prices (real GNP)
							Thousands	*Billion*
1960	34,444,317	5,721,133	1,026,962	39,138,488	433.3	80.3	180,667	$487.7
1961	35,749,430	5,778,172	1,215,570	40,312,032	439.0	81.1	183,672	497.2
1962	37,540,902	5,867,973	1,192,816	42,216,059	452.7	79.7	186,504	529.8
1963	39,230,020	5,825,775	1,340,798	43,714,997	462.1	79.3	189,197	551.0
1964	41,703,408	6,385,795	1,704,933	46,384,270	483.6	79.8	191,833	581.1
1965	44,079,880	6,800,332	1,778,472	49,101,740	505.6	79.5	194,237	617.8
1966	47,113,493	7,519,781	1,953,755	52,679,519	536.2	80.0	196,485	658.1
1967	46,925,753	7,114,643	2,095,692	51,944,704	522.8	76.9	198,629	675.2
1968	51,245,160	7,058,456	2,639,175	55,664,441	554.9	78.8	200,619	706.6
1969	54,187,214	7,493,492	2,765,632	58,915,074	581.4	81.2	202,677	725.6
1970	53,516,171	7,267,188	2,843,193	57,940,166	565.6	80.2	204,879	722.5
1971	55,085,805	7,617,316	3,145,781	59,557,340	575.3	79.9	207,045	745.4
1972	59,457,076	8,032,651	3,103,738	64,385,989	616.6	81.4	208,842	790.7
1973	61,833,174	8,477,225	3,070,463	67,239,936	639.2	80.3	210,400	837.4

Source: American Paper Institute, "Statistics of Paper and Board, 1974," p. 61.

Each segment of the paper industry can comprise an industry by itself. Production techniques are interrelated but differ significantly enough to require separate facilities for the production of the final product. As previously mentioned, the first stage in the production process is the assembly of materials suitable for conversion to pulpwood. In the forest, trees selected as pulpwood are cut to the prescribed lengths and transported by rail, truck, or water directly to the mill.

When the pulpwood arrives at the mill, the logs are debarked, cleaned, and chipped into pieces about three-fourths inch square and one-fourth inch thick. The chips are then moved by conveyors to the pulpers to reduce the wood to fibers. The bark is utilized as fuel to generate steam and electricity for the mill. Increasingly, sawmill residues such as sawdust and chips are being used as pulpwood in place of logs. Wastepaper may also be introduced at this stage.

Woodpulp is prepared either mechanically or chemically. The particular use to which the pulp is to be put largely determines the process. If it is to be used in the manufacture of packaging and converting, sanitary or writing paper or one of the better grades of printing paper, the process will be chemical. If it is to be used in the production of newsprint or cheaper grades of printing paper, it will be mostly mechanical pulp. If it is to be used in the manufacture of paperboard for packaging, the process will be chemical or a combination of chemical and mechanical.

In the mechanical (groundwood) process, wood is shredded or separated by physical means, usually stone grinders. The resulting pulp consists of the cellulose fibers plus lignin and other whole wood constituents. A number of factors give groundwood pulp certain advantages over chemical pulps. Since no part of the wood component is dissolved by the process, the yield is higher than for chemical pulps, averaging 93 percent of the air dry weight of the wood and the cost is, therefore, lower. This process imparts the desirable qualities of body and opacity to paper and thus produces a good, inexpensive printing paper. On the other hand, because of impurities, it discolors easily, has little strength and is thus unsuited for many purposes.

The two predominant chemical processes utilized today are the kraft process and the sulfite process. The kraft process utilizes sodium hydroxide and sodium sulfate, whereas the sulfite process utilizes calcium sulfite, bisulfite, and magnesium, sodium, or ammonium sulfite. In these two processes, the pulpwood is broken down by steam pressure and the noncellulose constituents of the wood are dissolved in the chemical solution. The pulp then goes through several stages of washing and screening in order to remove the dissolved solids from the fibers.

The kraft process, besides being the predominant process, enjoys the advantage of being the least expensive process. This process is well suited for pulping of resinous woods, making virtually any type of hardwood or softwood acceptable as a raw material. Kraft pulp has a variety of uses: unbleached, it is used in making wrapping and bag papers, shipping bags, and liner board; semibleached, it is used in wrapping and bag papers, towels, and in newsprint. Bleached kraft is used in book, ledger and envelope paper, bags, and foodboard.

In addition to the purely chemical or mechanical processes, there are several processes which are partly chemical and partly mechanical. These are grouped under such general descriptions as semichemical and chemi-mechanical. In these semichemical processes the chips are subjected to a moderate chemical treatment followed by mechanical fiberizing. This process results in yields of 80-90 percent of weight whereas the chemical pulps yield only about 50 percent.

After the pulping process, the pulp is washed and screened in order to remove unprocessed particles. If it is to be bleached, the pulp then passes to the bleaching tower where bleaching is carried out in multiple stages that vary in number, contribution, and sequence depending on quality desired.

In the next stage of processing the pulp is subjected to mechanical attrition in a refiner or beaten before being formed into paper. The fibers are swollen, cut, beaten, and generally reduced in size to improve bonding and thus strengthen the paper sheet. Before the sheet-forming process begins, stock additives are added to the furnish (the fibruous slurry fed to the paper machines) for the purpose of improving the properties of the paper or to facilitate the process itself. "Sizes" are then added to make the final paper more resistant to water and other liquids. Typical sizes are resin, starches, waxes, glues, and synthetic resins. Finally, dry- or wet-strength additives are added to improve bonding and to retain strength when the paper becomes wet.

The pulp, consisting of 99 percent water, is spread onto a moving wire mesh belt. Water is removed by gravity and by suction and the wet sheet thus formed passes through rollers which press out still more water. The sheet is further dried by passing through a series of heated rollers—the finished paper coming off the dry end as a continuous sheet. If high finish is required, it is passed through a series of highly polished cylinders.

The cylinder machine is somewhat different. It utilizes a cylinder of wire mesh open at both ends. This cylinder is rotated horizontally in vats of aqueous paper stock. The water flows through the wire from the outside toward the axis of the cylinder and leaves a deposit of fiber on the rotating screen. This deposit is licked off by a continuous felt that travels at the same surface speed as the cylinder and is pressed against it by a carrying roll. Because of the usual multicylinder configuration of this system, a wide variety of paperboards can be made on it.

The chief difference in the manufacture of different grades of paper is the type of stock used. Newsprint consists of 80 percent to 85 percent groundwood and the rest either unbleached sulfite or bleached kraft. Groundwood papers, of course, contain a high proportion of groundwood pulp—from 25 percent to 75 percent. Groundwood paper is used for printing cheap magazines and books, catalogues and directories, general commercial printing, and some types of typewriter paper. Most book papers are made from chemical pulps and contain considerable amounts of sizings and fillers. Bag papers are made principally from kraft pulp because of its strength.

Sanitary and tissue papers are made from bleached sulfite or kraft pulp. Writing and other fine papers are made from rag pulp, bleached chemical woodpulp, and combinations of the two.

Paper having a thickness of 0.012 inch or more is generally called paperboard. This is not a strict definition, however, as certain grades of paper, 0.009 inch or more in thickness, such as corrugating material, linerboard, and lightweight chipboard, also fall into the category of "paperboard." Paperboard is made from woodpulp, wastepaper, or combinations thereof.

There are three main categories of paperboards: boxboards, containers boards, and specialty boards. Boxboard is made from wastepaper or from bleached or unbleached draft or sulfite pulp. In addition to its use as folding and set-up boxes, it serves purposes such as liquid-tight containers, tablet and pad backs. Container board is used in making corrugated and solid shipping containers.

Corrugated board is made with an inner corrugating material and outer surfaces of linerboard. The corrugating material is usually made from semichemical or kraft pulp or wastepaper stock. Linerboard is made from kraft pulp or old kraft paper. Specialities are a variety of boards made for special uses such as furniture panels, luggage, et cetera.

Most paper must be converted before it is delivered to the end user. Converting includes: (1) chemical processes, such as coating, impregnating, and laminating, and (2) mechnical processes such as construction into bags, boxes, envelopes, et cetera.

Mechanical converting is an off-machine process carried out by an independent converter or by the primary paper manufacturer. Coating processes, however, are most often done on the paper machine by the primary producer.

Part I(B): Rate structure for paper and paper products

1. History of the rate structure to 1955

As pointed out by SPS, the rate structure for paper and paper products has developed more through the medium of negotiation than through litigation. In many of the Commission reports dealing with the movement of paper products, the Commission has noted that the rate proposals were arrived at through the negotiations of shippers and carriers or that the shippers supported proposed rates. This development of the rate structure through negotiations has been especially apparent in the last 20 years; the last litigated case of any substantial magnitude between the shippers and carriers occurred in 1948, *Paper to and within Southwestern Territory*, 272 I.C.C. 721.

The discussion of the history on paper and related articles is divided into two segments, with the institution in 1955 of the American Pulp and Paper Association (APPA), long haul scale as the dividing line.

Within official and western trunkline territories.—At the turn of the century, the rates for paper and paper products in official territory followed on uniform level or pattern. Though generally on a sixth-class basis, they were replete with inequalities and inconsistencies, lacked uniformity in commodity description and classification, and reflected the results of frequent, piecemeal modifications made under the pressure of large shippers or to meet competition among competing railroads. *Official Classification Rates on Paper*, 38 I.C.C. 120, 122-123 (1916).

To end the confusion and insure equality of rates upon a basis reasonably compensatory to the carriers, the Commission, in 1916, approved the uniform application of sixth-class rates on wrapping and printing paper on paper bags throughout official territory; commodity rates approximately 80 percent of sixth class were approved for newsprint. *Official Classification Rates on Paper, supra.*

There has traditionally been intense rivalry among the mills in Wisconsin and Minnesota and between the producers in those States and the mills in Michigan, with competition especially intense at Chicago. In 1922 the Commission established, for use in western trunkline (WTL) territory specific relationships among the various commodities encompassed within the description "paper and paper products"[3] and prescribed minimum rates from the different groups in Wisconsin and Minnesota to Chicago and throughout WTL territory. *Minnesota & Ontario Paper Co.* v. *N. P. Ry. Co.,* 66 I.C.C. 571 (1922), hereinafter referred to as the *M & O* case.

Because of a wide product assortment, and because the producers were located at widely varying distances to key markets at points in WTL and southwestern territories, the Commission established groupings at destination territories and those of the competing origins located in a geographic strip about 95 miles long and 75 miles wide that lies in northern Wisconsin and northeastern Minnesota.

Rates were prescribed on commodities as follows:

Group No.	Type of commodity	Carload minium	Group relationship
		Pounds	
1	Newsprint)	40,000)	Basic
	Wallpaper)	)	
2	Printing)	)	
	Wrapping)	40,000)	110 percent
	Bags)	)	of
	Binder board)	)	group 1
3	Writing)	36,000)	133-1/3 percent
	Wrapping, waxed)	)	of group 1
	Toilet paper)	)	
	Paper towels)	24,000)	133-1/3 percent of
	Paper napkins)	)	group 1

The decision grouped the origins as follows:

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[3] Rates on newspaper, minimum 40,000 pounds, were made the basic rate; rates on wrapping paper, paper bags, printing paper other than newsprint and commodities grouped therewith, minimum 40,000 pounds, were made arbitraries above that; rates on writing paper, napkins, paper towels, light-loaded sanitaries, and commodities grouped therewith, minimum 36,000 pounds, subject to rule 34, were made still higher arbitraries above newsprint.

1. Basic Group—Fox River Group:
    - Appleton
    - Combined Locks
    - Kimberly
    - Marinette
    - Menasha
    - Merrill
    - Neenah
    - Nekoosa
    - Port Edwards
    - Rothschild
    - Stevens Point
    - Grand Rapids (Wis.)
2. Northern Wisconsin Group:
    - Eau Claire
    - Ladysmith
    - Park Falls
    - Quinnesec, Mich.
    - Rhinelander
    - Tomahawk
3. Minnesota Group:
    - Brainerd
    - Cloquet
    - Grand Rapids
    - Little Falls
    - Sartell
4. Sault Ste. Marie, Ontario
5. International Falls, Minn., and Fort Frances, Ontario
6. Groos, Mich.
7. Manistique, Mich.
8. Munising, Mich.

With the rates from the Fox River Group fixed, differentials were prescribed for the other groups on the basis of the Fox River Group and were combined with destination groupings in the States of Arkansas, Colorado, Illinois, Iowa, Kansas, Minnesota, Nebraska, Oklahoma, South Dakota, Texas, and Wisconsin and to the cities of Memphis, Tenn., New Orleans and Shreveport, La.

In *West Virginia Pulp & Paper Co.* v. *Baltimore & O. R. Co.*, 165 I.C.C. 349 (1930), the Commission delayed its decision on paper and pulpboard in central and trunkline territories until it made an exhaustive analysis of the rate structure in docket No. 15879, *Eastern Class-Rate Investigation*, 164 I.C.C. 314 (1930). In the *Eastern Class-Rate Investigation*, the Commission approved a new level of sixth-class rates equaling 27.5 percent of the first-class rates, minimum 36,000 pounds for wrapping paper, paper bags, and printing paper other than newsprint within official territory. As previously stated, the Commission, in 1916, found sixth-class rates generally reasonable for printing and wrapping paper, but some official territory carriers, to meet competition from the Wisconsin mills, had made rates 3 cents lower than sixth-class from various shipping points into Chicago. The Wisconsin mills were benefiting from the rates prescribed in the *M & O* case. This caused complaints from those who did not have the lower rates.

In its decision in the *West Virginia* case, the Commission found that rates on printing and wrapping paper would be unreasonable to the extent that the rates exceeded the sixth-class rates prescribed for official territory (27 1/2 percent of first class) and that rates on paperboard (today described as pulpboard) should be no more than 25 percent of first class. The Commission also modified the *M & O* decision to reflect new basic rates from the Fox River Group to Chicago. For example, the maximum reasonable rate on printing and wrapping paper from the Fox River Group was raised from 17 cents to 20 cents. Differentials above the Fox River Group for the other groups in the *M & O* case were prescribed. This case also upheld the basic classifications which were assigned in *Eastern Class-Rate Investigation, supra.*

The *West Virginia* decision is historically important because it set rate patterns in eastern territory for 25 years—until new levels were established in 1955 by the carriers.

In 1930 in the *Western Trunk-Line Class Rates,* 164 I.C.C. 1 (1930), the boundaries of official territory were changed to include the Fox River Valley and other points in eastern Wisconsin in a zone desginated as extended zone C. Contemporaneous with the creation of extended zone C, the Commission fixed 20 cents per hundred pounds as the maximum reasonable rate on group 2 commodities from the Fox River Valley to Chicago in the *West Virginia* case. The *West Virginia* case, however, did not affect the relationship between the producing points in Wisconsin, Minnesota, and upper Michigan which had been established in the *M & O* case on traffic within WTL and from WTL to the other destinations involved in that case. *Paper and Paper Articles,* 186 I.C.C. 536, 537 (1932).

Within a few months of the decision in the *West Virginia* case, the WTL carriers sought to restore the original 17-cent basis to Chicago and related points in Illinois westward to the Mississippi River. In *Paper and Paper Articles, supra,* the Commission found the reductions justified on the basis that the carriers were forced to make the reduction on account of truck competition. The Commission found that the threat of truck competition was valid not only for the carriers in the Fox River Valley which was now part of extended zone C, but also for carriers in the Wisconsin River Valley which was not part of the extended zone. The carriers had reduced rates from the other points in WTL territory in order to maintain the relationship with rates from the Fox River Valley and to preserve the origin differentials prescribed in the *M & O* case.

Thereafter the Commission, to enable the railroads to retain their share of this traffic, approved a reduction in the Fox River-Chicago rate to its previous level. Corresponding decreases in the rates to Chicago and related points in Illinois were made from the other producing areas in Wisconsin and Minnesota in order to avoid fourth-section departures and preserve longstanding relationships. *Greater Muskegon Cham. of Com.* v. *Pere Marquette Ry. Co.*, 222 I.C.C. 63, 70 (1937).

The Michigan mills subsequently complained that the restoration of the previous rates from Wisconsin and Minnesota to Chicago and related points resulted in a distinct preference to those mills and a severe prejudice to producers in Michigan, whose rates remained at the higher eastern sixth-class basis. The Commission, however, refused to make any further adjustments since the element of common participation in the rates from both the Michigan and Wisconsin mills to Chicago was lacking. Additionally, while there was intensive truck competition at both the Michigan and Wisconsin mills to the issue destinations, only the carriers serving the Wisconsin mills elected to reduce rates to meet truck competition while the carriers serving the Michigan mills did not make corresponding reductions. Thus, where two groups of carriers independently followed their own general ratemaking policies, undue preference and prejudice would not be found. *Michigan Paper Mills Traf. Assn.* v. *Atchison, T. & S. F. Ry.*, 195 I.C.C. 414 (1933).

Official to South.—By 1940 freight rates for paper and paper products generally conformed to separate levels of intraterritorial mileage scales in both official and southern territories. The rates within southern territory were on a materially higher level, mile for mile, than the rates within official territory. As negotiated between the shippers and the carriers, the northbound rates for paper and paper products reflected 110 percent of the base generally applicable on these commodities within official territory. Thus, on shipments to the Northeast, southern paper producers experienced a 10 percent higher rate, distance considered, than shippers within that region.

To protect the growing southern paper industry, the Commission, in 1940, decreed that southbound rates from official territory should be made on a "destination basis," that is, rates on paper and paper products were made to conform to the materially higher southern mileage scales as extended for the longer hauls involved. *Paper, Official-Illinois Territories to South,* 238 I.C.C. 104 (1940).

South to South.—Prior to 1955 there was a lack of uniformity in the rates on paper and paper products within southern territory and from the southern to official, southwestern, and WTL territories. Many different rate levels were applicable within the various movements. As the competitive need arose, rates were established from and to particular points. The rate structure consisted of commodity rates, class rates, and combinations of local rates which created many inconsistencies.

The early freight rate patterns applicable for paper and paper products in the South were not on a uniform basis. Generally, the fifth, sixth and eighth class or class A rates applied to paper and paper products from, to and within southern territory and few commodity rates existed. *Standard Paper Mfg. Co. Inc.*, v. *Alabama G. S. R. Co.*, 196 I.C.C. 569 at 571. For example, prior to 1916, pulpboard moved generally throughout the South on class A rates. But in some instances, competitive situations created the need for commodity rates. *Smith Agency* v. *Atlantic Coast Line R. Co.*, 160 I.C.C. 61. Class rates in the South were revised in 1916 as a result of the Commission's decision in *Fourth Section Violations in the Southeast*, 30 I.C.C. 153. However, by agreement between the shippers and carriers, the revised class rates were not made applicable to paper and paper products and the prior class rates were continued. *Standard Paper Mfg. Co.* v. *Alabama G. S. R. Co. supra.*

In 1928, class rates on most commodities from, to, and within southern territory were established by the Commission's decision in *Southern Class Rate Investigation*, 128 I.C.C. 567. But the untreated fifth class, sixth class, and class A rates were not disturbed. They were, however, established as commodity rates applicable to paper and paper products.

Since southern territory is almost surrounded by water, water competition has had an important effect on the development of the rate structure for paper and paper products. For example, the Commission permitted the establishment of a lower rate on paper bags from Savannah, Ga., to Norfolk, Va. *Paper Bags to Norfolk and Newport News, Va.*, 227 I.C.C. 247. The rate prescribed by the Commission was 28.5 cents, 40,000 pounds minimum, in comparison to a competitive water rate of 22 cents, 36,000 pounds minimum. Prior to this case, no all-rail movements were recorded.

Accordingly, the Commission held that the competitive situation warranted the prescription of a lower water competitive rate by the southern carrier.

In the case of imported paper products, the southern carriers attempted to maintain approximately equal rail rates between southeastern ports to interior consuming points where the distances justified equalized treatment. For example, in 1937 newsprint rail rates to interior points, which used newsprint in carload quantities, were approved from two groups of southeastern ports. *Newsprint Paper from Southern Ports,* 220 I.C.C. 425. One group was composed of Atlantic ports and the second group included the gulf ports. The general basis of the approved rates was 25 percent of the domestic first-class rates, which was the normal rate prescribed in *Newsprint Paper Investigation,* 197 I.C.C. 738, for destinations in southern territory. But with partial equalization of ports, the rates from various ports in each group would be the same as the rate from the port in the particular group which had the lowest rate.

Competitive motor carrier rates also forced the rail carriers to reduce their rates on paper products. For example, in 1937, the truck rate for pulpboard from Mobile to New Orleans was 17 cents. Even though the rail rate was the same as the truck rate, virtually all of the traffic moved by trucks because of the loading and delivery services rendered by the motor carriers. The Commission authorized a rate of 14 cents, 40,000 pounds minimum, to meet the motor carrier competition. *Pulpboard to New Orleans, La.,* 222 I.C.C. 424 (1937).

South to official.—With respect to paper and paper products, the southern carriers sought to establish rates from the southeast to northern destinations on or near the level of rates applicable within the destination territory. This policy was part of the southern carriers' effort to enable southern manufacturers to compete with northern producers in the important consuming markets of the Northeast.

In 1936 the carriers sought authority to establish lower rates to the gateways to official territory, the Ohio and Mississippi River crossings, North Atlantic ports, and certain destinations in central territory for a variety of paper and paper products. *Paper from the South and Southwest, supra.* The principal opposition to the application came from large paper manufacturers in official territory who sought to protect their advantageous location. Many of the rates then in existence conformed to the long-and-short-haul provisions of the act. The application was denied by the Commission for failure by the carriers to demonstrate the need for the requested adjustment.

Two years later in 1935, the southern carriers again sought to establish commodity rates from points of production or shipment in southern territory to destinations in official territory, including Illinois. *Paper from Southern to Official Territory,* 229 I.C.C. 587 (1938). On this occasion the basis of the proposed rates was 110 percent of the scale of rates then applicable within official territory. Within official territory the rates on paper and related articles were 27.5 percent and on pulpboard 25 percent of the first-class rates established in the *Eastern Class Rate Investigation, supra.* The rates were constructed over the shortest routes over which carload traffic could be moved without transfer of lading to class-rate base groups in official territory from specific producing or shipping origins in southern territory. The Commission refused to extend relief to include rates from additional points in southern territory which might have developed in the future, and required the carriers to request such relief as needed.

Water competition from Atlantic and gulf ports to North Atlantic ports also prompted the Commission to approve an experimental adjustment in the rail rates for such interterritorial moves. *Pulpboard from Southern Ports to Eastern Ports,* 238 I.C.C. 67. In 1940, 95 percent of the pulpboard produced at south Atlantic and gulf ports was moved by water to northern ports and by trucks beyond. Less than 1 percent moved by all-rail routes. The southern carriers, with shipper support, proposed to reduce rates, 50,000 pounds minimum, over all-rail routes from the southern ports to the northern ports. The normal rates for such interterritorial moves were commodity rates on the basis of 27.5 percent of first-class rates prescribed in the *Eastern Class-Rate Investigation,* except where lower rates resulted from the use of eighth class rates as required by the *Southern Class Rate Investigation,* 128 I.C.C. 567 (1927). The Commission found that relief was justified on the basis of significant water competition and an all rail rate was authorized on the basis of a 6-cent differential over the water-truck rates.

According to the southern railroads, rail carriers' investigation had developed that a substantial volume of paper and paper articles traffic had been lost to motor carriers. The Southern Lines Executive Committee considered the (then) existing rates on paper and paper articles at their August 1949 meeting. A special committee was appointed to study these rates in relation to motor carrier rates on paper and paper articles. Before a recommendation could be made, the special committee concluded that it wouldbe advisable to confer directly with shippers in order to obtain from them firsthand information as to the movement of paper by motor carriers. A conference of representatives of rail and shippers was held in October 1949.

The motor carriers had increased their rates between points in southern territory 20 and 10 percent, approximating 32 percent. On the other hand, rail carriers' rates had been increased 20, 25, and 10 percent under Ex Parte Nos. 162, 166, and 168, respectively, or approximately 65 percent.

After much consideration, including discussion of the rail-truck situation with shippers, the Special Committee concluded that rail rates should be revised by the establishment of rates on the various paper and paper articles reflecting classes 22 1/2, 25 and 27 1/2 of docket No. 13494 class-rate scale as of June 30, 1946, increased 32 percent. For the reduced-rate scales, carriers established new exception ratings bearing either suffix L or Z.

The table below shows a comparison of representative rates prior to and effective June 1, 1950.

TABLE II

(Rates in cents per 100 pounds—X-168-B Level)

Docket No. 13494	Rates prior to June 1, 1950			Rates effective June 1, 1950		
miles	A	B	C	A	B	C
100	36	33	31	30	26	24
200	51	47	42	41	37	33
300	61	56	50	49	45	40
400	72	65	58	57	51	46
500	80	72	65	63	57	51
600	86	77	72	69	62	57
700	94	86	76	75	69	61
800	101	92	83	81	74	66
900	108	98	88	86	78	70
1,000	113	102	92	90	82	74

Column A—Covers commodities subject to rating 27 1/2-Z.
Column B—Covers commodities subject to rating 25-L.
Column C—Covers commodities subject to rating 22 1/2-L

The average reductions of rates shown are columns: A—16 cents, B—15 cents, and C—13 1/2 cents. These reductions averaged approximately 20 percent and, therefore, constituted one of the major revisions in rates on paper and paper articles in southern territory prior to June 1, 1955.

Southwestern territory.—During the early development of the rate structure for all commodities, the Commission noted that little traffic of material volume moved from or within the Southwest on class rates. Lower commodity rates generally applied and distance commodity rates applied between points in Louisiana to Texas and within Texas and Oklahoma.

Southwest to southwest.—In *Consolidated Southwestern Cases,* 123 I.C.C. 203 (1927), the Commission prescribed ratings for a large variety of commodities, in carload volume, to establish commodity rates based upon fixed percentages of the first-class rates established between southwest origins and destinations in other territories and within the Southwest. However, because of the meager factual record, the Commission did not attempt to prescribe a general basis of rates for paper and paper products. Instead, the Commission requested that rates on these commodities be revised in accordance with rate bases prescribed for the other commodities. The Commission found that the rates for paper and paper articles, as well as other commodities, should be constructed on the commodity-rate basis applied to the most nearly analogous article or that an additional basis should be established which should be constructed on the same basis therein prescribed.

In 1938 the carriers attempted to construct a general readjustment of the rates in the manner suggested by the Commission in *Consolidated Southwestern Cases, supra.* In *Rates on Paper to and Between Points in Southwest,* 241 I.C.C. 717 (1940), the carriers proposed to abolish the commodity rates on paper and paper articles from origins outside of southwestern territory and on movements within southwestern territory, substituting instead rates based on a fixed percentage of the contemporaneous first-class rates. The revised rates were proposed because of the carriers' inability to publish rates under the conditions imposed by the Commission in granting fourth-section relief in *Paper to the Southwest,* 211 I.C.C. 570 (1935), *Rates on Paper to and Between Points in the Southwest, supra,* at 718. After protests by various shippers who complained about the increases which would result, the Commission found that the proposed rates were unreasonable and not justified. The Commission took special notice that the proposed rates would disturb the rates established in the *M & O* case on movements from WTL to southwest and refused to upset this basis without more substantial proof. *Rates on Paper to and Between Points in Southwest, supra,* at 738.

After World War II, the carriers made another attempt to revise the rates for paper and paper products in *Paper to and Within Southwestern Territory, supra,* also referred to herein as Investigation and Suspension Docket No. 5392.

The rates were purportedly calculated to yield the same revenues as the then present rates but were proposed to meet the requirements of the fourth section and numerous shipper requests. In all some 27 different proposals were involved. The rail carriers, by and large, proposed combinations over the border points. The Commission prescribed a rate basis for the various paper and paper products based upon a fixed percentage of the first-class scale of rates set out in appendix E of the *Eastern Class-Rate Investigation, supra,* 467. For example, pulpboard rates (not less than 80 percent woodpulp) were made 29 percent of the first-class scale, minimum weight 24,000 pounds when corrugated and 36,000 pounds when not corrugated. Wrapping paper and printing paper rates, other than newsprint, were set at 32.5 percent of the eastern first-class scale. This resulted in decreases, even though the bases prescribed were higher than currently in effect in official territory; the reason was the wide discrepancies in first-class rates in the different territories. For example, the Commission pointed out that the first-class rates at that time for 1,000 miles were:

Official	$1.82
Southern	2.49
Southwestern	3.00
Docket No. 28300 (proposed but not then effective)	2.13

In the publication of the tariff (now SWL-281-I series) the carriers merely published rates to the border points. From the border points and beyond this left the shipper to research the best combination. Much of this was corrected later. *Paper From, to, and Within Southwestern Territory,* 284 I.C.C. 485 (1952).

Southwest to official.—Since the beginning of the paper industry's development in the Southwest, official territory has been an important market for paper manufacturers located in that area. As the southwest paper industry was developing, southwestern carriers wanted to keep or place mills in a position to compete with the papermills located in the Southeast and the North. The carriers thus sought for their shippers the lower mileage scales of rates available within official territory. ***Paper From, to, and Within Southwestern Territory, supra.***

In 1936, the carriers proposed to establish a level of rates for movements to official territory based on the scale of first-class rates prescribed in the eastern class revision. See *Paper From the South and Southwest*, 218 I.C.C. 202. The proposed rates represented substantial reductions from the then existing rates. The carriers in official territory did not oppose the proposed rates, but significant opposition came from large paper companies in official territory. Upon review, the Commission found that evidence to estimate the effect on revenue by the proposed rates was too meager and denied the applications.

As a result of the Commission's denial, revision of the rates from the South and Southwest was the subject of lengthy negotiations by the carriers and shippers. As a result of the negotiations, rates from the southern territory and official territory were established on the basis decided in *Paper From Southern to Official Territory, supra.* Efforts to reach an adjustment of the southwest to official territory were only partially successful. The carriers in both territories agreed to a scale on the basis of 110 percent of the official territory class rates. However, the carriers were not able to agree upon a division of the rates.

Because of this disagreement, the subject was reviewed by the Commission again in *Paper From the Southwest to Official Territory*, 238 I.C.C. 136 (1940). The carriers proposed to cancel the existing rates on paper to official territory which would have resulted in application of the substantially higher class rates. Southwestern paper manufacturers and the southwestern carriers, who were nominal defendants in the proceeding, protested the increased rates.

The Commission found the schedules were not justified and prescribed the following basis of rates:

1. Pulpboard, 25 percent of the first-class rates plus 10 percent prescribed in the eastern class-rate revision;
2. Wrapping paper and paper bags, sixth-class rates plus 10 percent prescribed in the eastern class-rate revision.

According to API's witness Kachel, rates from *M & O* origin territory into the Southwest were established in 1953-1954 under Western Trunk Line application 36-1895 and were based on the Investigation and Suspension Docket No. 5392 scale, the basis then in effect within the Southwest. Again, because of the overriding need to maintain a competitive balance, the origin grouping and averaging mileage prescribed in the *M & O* case were maintained to determine ratemaking distances.

Many circumstances probably account for the changes to the cooperative handling of freight rates between the paper industry and the rail carriers. Certainly volume of traffic became important. In 1919, shortly before the *M & O* case was decided, the American Paper Institute recorded total production of 5,966,076 tons. By 1944 it had tripled to 17,182,804 and by 1955 it had quintupled to 30,178,102 tons. From 1955 to 1973 this total volume had doubled to a level of 61,883,174 tons. Also with the dramatic expansion of the industry in the South, more carriers than ever had heavy involvement.

Witness Lilley of the API points out that new and readily available communication channels had been made available to the carriers, especially the Traffic Committee of the American Paper & Pulp Association (now the American Paper Institute). In addition, regional traffic conferences such as the Southern Paper Manufacturers' Traffic Conference (now the Southern Paper Traffic Conference) and the Official Territory Paper Traffic Conference (now the Eastern Paper Traffic Conference) have been in continuing contact with the railroads under established section 5a procedures (now section 5b procedures), as were representatives of the New England Pulp & Paper Traffic League, the Western Paper Traffic Conference, and several other such groups.

Mountain Pacific territory.—There is a large flow of paper by rail within mountain Pacific territory. A substantial portion of the paper industry is located in the States of Washington and Oregon. The rate relationships associated with this movement are quite prolix. The rate basis is affected by the several factors which tend to depress the rates below the maximum reasonable basis. These factors include water carrier competition along the Pacific coast and competition from paper companies located in western Canada and in WTL territory. See *Container Corp. of America* v. *Southern Pac. Co.*, 284 I.C.C. 421; *Public Utilities Comm. of Idaho* v. *Oregon S. L. R. Co.*, 195 I.C.C. 697; and *All Rail Commodity rates between Calif., Oregon. and Wash.* 277 I.C.C. 511.

SPS states that, generally, the cases concerned with the movement of paper in mountain Pacific territory involve specific situations and that few cases discuss the overall rate patterns for paper traffic.

However, according to API's witness Lilley, about 12 percent of the industry's tonnage originates in this territory and the tonnage is almost equally distributed among all categories of paper, paper products, and pulpboard grades.

There are a number of papermills in California and some in Idaho and adjoining States, but there is an extremely heavy concentration in the States of Washington and Oregon in the areas west of the Cascade Mountain range. As a result, the predominant traffic flow is southbound to the large industrial cities.

As is true of the territory defined by the *M & O* case, these rates are not based on mileages. Likewise, this territory was not covered by docket Nos. 28300 and 28310. To accommodate the publication of rates in these areas, rates for both origins and destinations are grouped. Historically, a key group was Portland, Oreg., and rail rates were largely based from this group premised on water and barge competition. Groups closer or more distant from key markets such as San Francisco or Los Angeles are increased or decreased depending on their relationships to the Portland group. Because shipments of paper products in this area commonly move over distances of 900 to 1,200 miles and more, the impact of general increases allegedly tend to distort rate and competitive relationships.

Witness Lilley for API states that rate adjustments within the territory are continually being made between commodity groups and between rate groupings to retain the traffic in rail service.

The transcontinental rate structure involves the most dramatic rate grouping of all. The transcontinental rate structure involves the areas west of the Rocky Mountains on the one hand, and, on the other, areas east of the Rocky Mountains. The western areas have been assigned numerical groupings and the entire eastern territory assigned four letter groups. For example, group K extends from Norfolk, Va., to Jacksonville, Fla. Transcontinental paper traffic is subject to severe competition from both regulated and private motor carriage. But even more important is market competition. As a result the transcontinental lines make necessary adjustments from time to time to protect their long-haul traffic. Minimums vary from a low of 36,000 pounds on some papers but usually 40,000 pounds on heavy paper.

Witness Lilley believes it is in this category of traffic that general rate increases have the greatest impact and that the rail carriers have made several major adjustments, realignments, or innovations to retain the traffic.

Part I(B)2: History of the rate structure after 1955—APPA long-haul scales

According to API's witness Lilley, in the early 1950's it was the position of the southern paper industry that the rates on paper on paper products were commodity-rated tonnage which should not be disturbed by the Commission's decisions in dockets Nos. 28300 and 28310, *Class Rate Investigation, 1939,* 281 I.C.C. 213 (1951), then being decided. This view was repeatedly expressed to the southern and southwestern carriers. At the time the general basis was column 25G on group A papers (printing, wrapping, and related) and column 22-1/2G on the group B (pulpboard and related). However, by 1950 the southern railroads had purportedly experienced such a dramatic loss of tonnage to trucks that the rates in effect June 1, 1950, were made not subject to the general increases in Ex Parte Nos. 162, 166, and 168, which increases of 22-1/2 percent, 25 percent, and 10 percent applied in the years 1946-1949.

In official territory, rates on group A papers were based on column 27-1/2J of docket No. 15879 and group B papers (pulpboard) were generally column 25J of docket No. 15879 predicated, as was historically true, on the 36,000-pound basis. As with the southern territory and others, the paper manufacturers felt docket No. 28300 rates should not apply. However, the eastern lines did assess the general increases in the general increases which became effective from 1942 to 1952.

About 1950 the carriers in all territories became acutely aware of the diversion of paper and pulpboard grades to motor and barge carriers. Pursuant to section 5a procedures, this matter was actively explored between the carriers and the shippers.

Ultimately a proposal evolved for a comprehensive readjustment of the rates on paper, paper products, and pulpboard to apply throughout the territories east of the Rocky Mountains. A basic idea of the adjustment was that all shippers would compete on a unified and consistent rate basis throughout the territory using the groupings of origins and destination under docket No. 28300. Within and into the southwestern territory and western trunkline zones II, III, and IV, the railroads used the Commission's prescribed rates fixed in I. and S. Docket No. 5392, *Paper to and Within Southwestern Territory, supra,* as previously described. However, within and into official, and southern territories and western trunkline zone I, the railroads used the basic scale rates which had been in effect within southern territory since 1950. This scale was called the APPA Long Haul Scale and named for the American Pulp and Paper Association, forerunner of the American Paper Institute (API).

The structure of the new scale, in addition to adopting the basic southern scale, called for a new minimum of 50,000-pound rates on both paper and paper products and the pulpboard grades. Rate levels were arrived at for the 50,000-pound scales and the paper industry expressed a cooperative attitude towards the carriers in encouraging heavier loadings. As had been historically true, rates on pulpboard were about 10 percent lower than paper grades. In addition, a new 70,000-pound alternating minimum was provided for on pulpboard only, with rates made at 80 percent of the 36,000-pound minimum.

The impact of the new scale varied by territorial application. The scales were mileage scales grouped in 5-mile blocks up to 100 miles, 20-mile blocks up to 900 miles, and 25-mile blocks beyond.

Examples of the rates resulting from this adjustment are shown below:

TABLE 12

(Rates in cents per 100 pounds (X-168-B level))

Docket No. 28300 miles	(1) Groundwood paper wrapping paper printing paper			(2) Pulpboard or fiberboard			
	May 31, 1955	Approved June 1, 1955		May 31, 1955	Approved June 1, 1955		
	[1]36M	36M	[2]50M	36M	36M	[2]50M	[2]70M
100	26	23	21	24	21	19	18
200	37	32	29	33	29	26	25
300	45	40	37	40	36	33	31
400	51	49	46	46	44	41	37
500	57	56	53	51	50	48	43
600	62	62	59	57	56	53	48
700	69	68	65	61	61	59	52
800	74	74	71	66	67	64	57
900	78	79	75	70	71	68	60
1,000	82	84	80	74	76	72	65

[1] Groundwood paper—minimum weight 40M.

[2] Not subject to rule 24 of UFC or exceptions thereto.

Reductions in rates occurred in most instances, except in connection with the 36,000-pound rates on paper and paper articles where increases of 1 and 2 cents were made in rates above 800 miles.

The justification before the Commission (in part) offered by carriers in support of this adjustment was stated thusly:

> The suggested revision of rates has been approved for public docketing after an exhaustive investigation concerning transportation practices and charges for movement of paper, pulpboard, and related articles. In their study of this matter the carriers took into consideration the competition of other forms of transportation (particularly motor carriers), market competition, the desirability of encouraging heavier loading and fuller utilization of equipment and uniformity of rates to the extent practicable. It was recognized that if this traffic is to move freely in rail service and is not to be localized to destinations within the trucking area of the mills, it would be necessary not only to revise the rates between points where actual or potential truck competition is encountered, but reductions would also be necessary in the long-haul rates.

The southern railroads note that 11 tariffs were filed in order to take care of this adjustment, effective June 1, 1955, showing a total of 943 pages; of this number 347 converted rates, and these 11 tariffs canceled 175 tariffs.

In summation, the southern railroads state that this adjustment brought about many benefits to shippers as well as rail carriers, some of which are:

> (1) Accorded shippers substantial reductions in freight charges, especially at 50,000- and 70,000-pound minimum weights.
>
> (2) Provided shippers with an incentive for heavier loading of cars.
>
> (3) Brought about better utilization of rail equipment.
>
> (4) Placed rail carriers in a better competitive position with other modes of transportation.
>
> (5) Provided a uniform level of rates for most of docket No. 28300 territory, thus placing shippers in a better market competitive relationship.
>
> (6) Substantially reduced the number of tariffs necessary for publication of rates from 175 to 11. This reduced the carriers expense of publication and also reduced the complexities involved in checking rates on paper and related articles.

Concurrently with the publication of the foregoing, different rates were established from official and southern territories to southwestern territory, and from all territories to parts of WTL territory. These rates reflected the I. and S. No. 5392 basis, increased 20, 20, and 8 percent per Ex Parte Nos. 162, 166, and 168, respectively.

The table below shows representative commodities and rates at the Ex Parte No. 168-B level reflecting I. and S. No. 5392 basis.

TABLE 13

(Rates in cents per 100 pounds and include X-168-B)

Docket No. 28300 miles	Groundwood paper printing paper wrapping paper	Pulpboard or fiberboard
	36M	*36M*
100	31	28
200	40	37
300	48	44
400	54	50
500	63	54
600	70	63
700	76	67
800	80	71
900	86	78
1,000	92	83
1,100	98	86
1,200	103	92

These rates became effective June 1, 1955, simultaneously with revised rates on paper and paper articles within other territories.

API's witness Kachel states that under WTL application 35-3156 of February 11, 1958, the rates to the southwest were revised to the so-called APPA long-haul scale but the origin "M&O" groupings that had been in effect were maintained. Although there have been slight modifications, the principle of the "M&O" group origins, averaging miles, and commodity grouping to destinations in WTL and southwestern territory have remained virtually unchanged throughout the years.

Witness Kreckman for API points out that the 1955 revision which established the APPA long-haul scale was itself an action by the railroads to roll back the general increases to a rate level which would attract and hold the transportation of paper to the railroads.

The APPA long-haul scale revision of 1955 treated rates in an area which is largely the same as docket No. 28300 territory. In studying the nationwide pattern of general increases and rollbacks of general increases, the witness states that it is necessary to look at the rates as they apply within mountain Pacific territory—rates which are not on the APPA scale—and Transcontinental rates, which constitute a rate structure all their own, as well as paper rates applying in the docket No. 28300 territory at the APPA scales. These rates are discussed subsequent to the APPA long-haul scale.

Witness Kreckman compiled the following tables which set out the various ex parte increases from Ex Parte No. 206 through Ex Parte No. 313 in terms of applicable increases for paper and paper products, but excluding newsprint. The increases include the intraterritorial and interterritorial increases for official, SFA, and WTL territories.

TABLE 14

Explanation of ex parte general increases. X-206 through X-313, on paper, paper articles, excluding newsprint

(1)	(2) Amount of increase made applicable					
	A	B	C	D Interterritorial		
Title of increase	Intra-SFA	Intra-East	Intra-West	Between SFA-East	Between SFA-West	Between East-West
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
X-206						
Effective Dec. 28, 1956	0	7	5	5	5	5
Effective Feb. 23, 1957	5	7	5	5	5	5
X-206-A (Note 1)						
Effective Aug. 26, 1957	9	14	12	9	9	12
X-212						
Effective Feb. 1, 1958	0	0	0	0	0	0
	Per hundredweight					
X-223						
Effective Oct. 24, 1960	0-65¢ = 1/2¢ 66¢ & over = 1¢	Same	Same	Same	Same	Same
X-223-A (Note 2)						
Effective Sept. 1, 1962	Same as Ex Parte No. 223	do	do	do	do	do

Explanation of ex parte general increases, X-206 through X-313, on paper, paper articles, excluding newsprint—Continued

(1)	(2) Amount of increase made applicable					
	A	B	C	D Interterritorial		
Title of increase	Intra-SFA	Intra-East	Intra-West	Between SFA-East	Between SFA-West	Between East-West
	Per hundredweight	*Per hundredweight*				
X-256 Effective Sept. 19, 1967 Minimum weight 50M or less per car	0-10¢ = 1/2¢ 11 - 30¢ = 1¢ 31¢ & Over = 2¢	0-10¢ = 1/2¢ 11 - 30¢ = 1¢ 31¢ & Over = 2¢	SAME AS EAST	SAME AS EAST	SAME AS EAST	SAME AS EAST
Minimum weight over 50M per car	0-10¢ = 1/2¢ 11¢ & Over = 1¢	81¢ & Over = 3¢				
X-259 Effective May 27, 1968	SUSPENDED TO JANUARY 23, 1969					
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
X-259-A (Note 3) Effective June 24, 1968	3	3	3	3	3	3
X-259-B (Note 4) Effective Nov. 28, 1968	5	5	5	5	5	5
X-262 Effective Nov. 18, 1969	6	6	6	6	6	6
X-265 Effective June 2, 1970	SUSPENDED TO JANUARY 1, 1971					
X-265-A (Note 5) Effective June 9, 1970	5	5	5	5	5	5

Explanation of ex parte general increases, X-206 through X-313, on paper, paper articles, excluding newsprint—Continued

(1)	(2) Amount of increase made applicable					
	A	B	C	D Interterritorial		
Title of increase	Intra-SFA	Intra-East	Intra-West	Between SFA-East	Between SFA-West	Between East-West
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
X-265-B (Note 6) Effective Nov. 20, 1970	6	6	6	6	6	6
X-267 Effective Nov. 18, 1970	SUSPENDED PRIOR TO EFFECTIVE DATE		----------	----------	----------	----------
X-267-A (Note 7) Effective Nov. 20, 1970	6	8	8	6	6	8
X-267-B (Note 8) Effective Apr. 12, 1971	6	14	12	6	6	12
Effective June 8, 1971	6	14	12 (Except intra-Southwest 6)	6	6	Southwest to East = 6 Southwest to West = 6 Between East-West = 12
X-281 Effective Feb. 5, 1972	2.5	2.5	2.5	2.5	2.5	2.5
X-281-A (Note 9) Effective May 1, 1972	3	3	3	3	3	3
X-281-B (Note 10) Effective Oct. 23, 1972	3.0	3.0	3.0	3.0	3.0	3.0
X-295 Effective July 29, 1973	Postponed to Aug. 13, 1973 Suspended to Mar. 12, 1974 Canceled on Dec. 27, 1973	----------	----------	----------	----------	----------

Explanation of ex parte general increases, X-206 through X-313, on paper, paper articles, excluding newsprint—Continued

(1)	(2) Amount of increase made applicable					
	A	B	C	D Interterritorial		
Title of increase	Intra-SFA	Intra-East	Intra-West	Between SFA-East	Between SFA-West	Between East-West
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
X-295-A (Note 11)						
Effective Aug. 19, 1973	3.0	3.0	3.0	3.0	3.0	3.0
X-299						
Effective Oct. 1, 1973	1.9	1.9	1.9	1.9	1.9	1.9
Effective Jan. 1, 1974	2.6	2.6	2.6	2.6	2.6	2.6
X-299-A (Note 12)						
Effective Apr. 20, 1974	2.8	2.8	2.8	2.8	2.8	2.8
X-301 (Note 13)						
Effective Jan. 29, 1974	2.1	2.1	2.1	2.1	2.1	2.1
Postponed to Jan. 31, 1974						
X-301-A (Note 14)						
Effective Mar. 9, 1974	2.5	2.5	2.5	2.5	2.5	2.5
X-301-B (Note 15)						
Effective Apr. 1, 1974	2.8	2.8	2.8	2.8	2.8	2.8
X-301-C (Note 16)						
Effective May 1, 1974	3.0	3.0	3.0	3.0	3.0	3.0
X-301-D (Note 17)						
Effective June 1, 1974	3.3	3.3	3.3	3.3	3.3	3.3
Effective June 5, 1974	0.3	0.3	0.3	0.3	0.3	0.3

Explanation of ex parte general increases, X-206 through X-313, on paper, paper articles, excluding newsprint—Continued

(1)	(2) Amount of increase made applicable					
	A	B	C	D Interterritorial		
Title of increase	Intra-SFA	Intra-East	Intra-West	Between SFA-East	Between SFA-West	Between East-West
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
X-303 Effective Feb. 22, 1974	Suspended to Sept. 21, 1974					
X-303-A (Note 18) Effective Mar. 9, 1974	4.0	4.0	4.0	4.0	4.0	4.0
X-305 (Note 19) Effective June 5, 1974	3.0	3.0	3.0	3.0	3.0	3.0
X-305-A (Note 20) Effective June 20, 1974 (Two part increase)	3.3 10.0	3.3 10.0	3.3 10.0	3.3 10.0	3.3 10.0	3.3 10.0
X-310 Effective Feb. 5, 1974	Suspended to Sept. 5, 1975					
	Canceled Apr. 12, 1975					
X-310-A (Note 21) Effective Apr. 12, 1975	7.0	7.0	7.0	7.0	7.0	7.0
Postponed to Apr. 27, 1975 Effective May 30, 1975	0.0 (Pulpboard only)	7.0	7.0	7.0	7.0	7.0
X-313 Effective June 20, 1975	0.0	5.0	5.0	0.0	0.0	5.0

NOTES:

1. Superseded Ex Parte Tariff 206. SFA Bureau Tariffs held increase on paper and paper articles to 5 percent, as originally provided within Ex Parte Tariff 206, on traffic moving wholly within SFA territory. Rates within, from and to, other territories were subsequently rolled back within specific bureau tariffs, to reflect the following level of increase under Ex Parte No. 206-A:

0 - 400 miles	no increase
401-600 miles	5.0 percent increase
601-1,100 miles	7.0 percent increase
1,101 and over miles	9.0 percent increase

2. Superseded Ex Parte Tariff 223.
3. Superseded Ex Parte Tariff 259.
4. Superseded Ex Parte Tariff 259-A.
5. Superseded Ex Parte Tariff 265.
6. Superseded Ex Parte Tariff 265-A.
7. Superseded Ex Parte Tariff 267.
8. Superseded Ex Parte 267-A. See exhibits 3 and 4 for explanation of holddown on pulpboard, printing, and wrapping paper.
9. Superseded Ex Parte Tariff 281.
10. Superseded Ex Parte Tariff 281-A.
11. Superseded Ex Parte Tariff 295.
12. Superseded Ex Parte Tariff 299.
13. Fuel cost increase in the form of a separate surcharge.
14. Continuation of fuel cost surcharge. Supersede Ex Parte Tariff 301.
15. Continuation of fuel cost surcharge. Superseded Ex Parte Tariff 301-A.
16. Continuation of fuel cost surcharge. Superseded Ex Parte Tariff 301-B.
17. Continuation of fuel cost surcharge. Superseded Ex Parte Tariff 301-C. Amount of increase applicable within this tariff reduced to 0.3 percent, effective June 5, 1974. Remaining 3.0 percent carried forward into Ex Parte Tariff 305, in the form of a percentage general increase, rather than a separate surcharge.
18. Superseded Ex Parte Tariff 303.
19. Fuel cost surcharge, originally carried under Ex Parte Tariff 301, brought forward into Tariff 305 in the form of a general increase. Tariff, as originally filed, also sought a separate 10 percent general increase in rates and charges, which was suspended prior to effective date of June 5, 1974.
20. Superseded Ex Parte Tariff 305. When made effective on June 20, 1974, this tariff provided for both a 3.3 percent fuel cost increase (eliminating Tariff Ex Parte 301-D) and the 10.0 percent general increase originally sought, within Tariff 305.
21. Superseded Ex Parte Tariff 310. No increase on pulpboard within SFA territory, became effective on May 30, 1975. Increase of 7.0 percent continues to apply on all other paper articles.

The first general increase subsequent to the establishment of the APPA long-haul scale was Ex Parte No. 175, which was a nationwide 15-percent increase. The next increase, Ex Parte No. 196, was also a uniform, nationwide 6-percent increase.

The general increases authorized by the Commission in Ex Parte No. 206 consisted of two interim increases and a final increase. The second interim increase amounted to 7 percent for intraeastern traffic and 5 percent both intraterritorially and interterritorially.

When the Commission granted its final increase of 14 percent within the East, 12 percent within the West, and 9 percent within the South, along with interterritorial increases of 12 percent between East and West and 9 percent interterritorially between SFA on the one hand, and East and West on the other hand, effective August 26, 1957, Southern Railway did not apply any permanent increase above the amount of the interim increase for application within southern territory. It did, however, go along with the higher percentage increase for interterritorial application. As a result the other railroads operating in the South met the competition of the Southern by similarly foregoing any increase authorized by the Commission above the measure of increase taken by the Southern Railway.[4]

The Southern Railway serves a number of points at the borders of north-south territories and west-south territories, specifically Norfolk, Va.; Washington, D.C.; Richmond, Va.; Cincinnati, Ohio; Louisville, Ky.; St. Louis, Mo.; Memphis, Tenn.; and New Orleans, La. Because of Southern's service to these border points at the lower rates, paper producers in official and southwestern territories found themselves, according to witness Kreckman, disadvantaged to the extent the entire increase was applied by the non-Southern Freight Association (SFA) railroads.

The result of the intra-Southern Freight Association holddown was that the eastern and western railroads gradually rolled back their intraterritorial and interterritorial rates, through a series of particular adjustments and independent announcements, to reach the southern level, and, in one instance, to go beyond the measure of the southern holddown. That one instance was in the East, where the railroads took off the Ex Parte No. 206 increase in its entirety for distances up to 400 miles. According to witness Kreckman, the committee of the Official Territory Paper Traffic Conference was reportedly told by representatives of the eastern railroads at the time that the reason the railroad went beyond the southern lines' action was to meet truck competition, which was strongest at the relatively short mileages, rather than out of any consideration of maintaining rate relationships between competing paper shippers. He contends that the eastern railroads did in fact disrupt relationships for the short hauls to the comparative advantage of the eastern paper manufacturers compared with interterritorial shippers.

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[4] This holddown was made effective by not subjecting the tariff naming rates on paper from southern origins, SFTB 867 series, to the general increase tariff X-206-A, which had the effect of providing that only the amount of increase authorized by tariff X-206, which was the interim increase of 5 percent, would apply.

Following Ex Parte No. 206 there were successive general increases which, either as the result of Commission action or the railroads' voluntary ratemaking, were applied uniformly throughout the portion of the country where the APPA long-haul scale applies: Ex Parte No. 212 (as to which there was no increase on paper at all), and Ex Parte Nos. 223, 259, 262, and 265.

Ex Parte No. 256, however, was not uniform in its application. In Ex Parte No. 256, the increases ranged up to a 3-cent maximum in all ratemaking jurisdictions except intra-Southern, where the maximum for a 36,000-pound and 50,000-pound car was 2 cents and for a 70,000-pound car or heavier, 1 cent.

In table 15 below, witness Kreckman shows the carload rates, 36,000-pound maximum, applying on the general paper list (also referred to as the printing paper-wrapping paper list) at the level in effect after the Ex Parte No. 206 rollback, for applications within the South and between the South and East. In successive columns, further general increases (discussed infra) through the Ex Parte No. 256 general increase have been added to these base rates.

TABLE 15

History of APPA long-haul scales of rates, applicable to printing paper, wrapping paper, and similarly grouped paper articles, X-206-A through X-256 general increase level at minimum weight of 36,000 pounds

(RATES SHOWN IN CENTS PER 100 POUNDS)

Docket No. 28300 (100-mile blocks) (1)	Base rates X-206-A A SFA	Base rates X-206-A B Official (2)	Base rates X-206-A C Between	X-223-A level A SFA	X-223-A level B Official (3)	X-223-A level C Between	X-223-A level (after 1962 adjustment) A SFA	X-223-A level (after 1962 adjustment) B Official (4)	X-223-A level (after 1962 adjustment) C Between	X-256 level A SFA	X-256 level B Official (5)	X-256 level C Between
100	.29	.28	.29	.29 1/2	.28 1/2	.29 1/2	.26 1/2	.26 1/2	.26 1/2	.27 1/2	.27 1/2	.27 1/2
200	.41	.39	.41	.41 1/2	.39 1/2	.41 1/2	.37 1/2	.37 1/2	.37 1/2	.39 1/2	.39 1/2	.39 1/2
300	.51	.49	.51	.51 1/2	.49 1/2	.51 1/2	.46 1/2	.46 1/2	.46 1/2	.48 1/2	.48 1/2	.48 1/2
400	.62	.59	.62	.62 1/2	.59 1/2	.62 1/2	.56 1/2	.56 1/2	.56 1/2	.58 1/2	.58 1/2	.58 1/2
500	.71	.71	.71	.72	.72	.72	.64 1/2	.64 1/2	.64 1/2	.66 1/2	.66 1/2	.66 1/2
600	.79	.79	.79	.80	.80	.80	.72	.72	.72	.74	.74	.74
700	.87	.87	.87	.88	.88	.88	.79	.79	.79	.81	.81	.81
800	.95	.95	.95	.96	.96	.96	.87	.87	.87	.89	.90	.90
900	1.01	1.01	1.01	1.02	1.02	1.02	.92	.92	.92	.94	.95	.95
1,000	1.08	1.08	1.08	1.09	1.09	1.09	.98	.98	.98	1.00	1.01	1.01
1,100	1.13	1.13	1.13	1.14	1.14	1.14	1.03	1.03	1.03	1.05	1.06	1.06
1,200	1.19	1.19	1.19	1.20	1.20	1.20	1.08	1.08	1.08	1.10	1.11	1.11
1,300	1.25	1.25	1.25	1.26	1.26	1.26	1.14	1.14	1.14	1.16	1.17	1.17
1,400	1.29	1.29	1.29	1.30	1.30	1.30	1.17	1.17	1.17	1.19	1.20	1.20
1,500	1.34	1.34	1.34	1.35	1.35	1.35	1.22	1.22	1.22	1.24	1.25	1.25
1,600	------------	1.40	1.40	------------	1.41	1.41	------------	1.27	1.27	------------	1.30	1.30
1,700	------------	1.45	1.45	------------	1.46	1.46	------------	1.32	1.32	------------	1.35	1.35
1,800	------------	1.50	1.50	------------	1.51	1.51	------------	1.36	1.36	------------	1.39	1.39
1,900	------------	1.61	1.61	------------	1.62	1.62	------------	1.46	1.46	------------	1.49	1.49
2,000	------------	1.70	1.70	------------	1.71	1.71	------------	1.54	1.54	------------	1.57	1.57

See notes on following page.

Explanation of columns

(1) One hundred-mile increments to 2,000 miles, or last mileage block if less than 2,000. Published scales varied 1,500 to 3,000 miles in length.

(2)A Item 59505, SFTB Tariff 867-C, in effect on August 5, 1959.

B Section 3, TL/CTR Tariff 703, in effect on June 15, 1959.

C Interterritorial application, between official, SFA, and WTL territories identical, except mileage block 1,300, wherein published rate from SFA to official and WTL territories was $1.24, in lieu of $1.25. Section 6, TL/CTR Tariff 703, items 59510, 59515, SFTB Tariff 867-C, in effect on August 5, 1959.

(3) Base rates in column (2) further increased under Ex Parte No. 223-A, i.e., 0 to 65 cents by 1/2 cent per hundredweight, 66 cents and over by 1 cent per hundredweight.

(4)A Item 59505, SFTB Tariff 867-C, in effect on March 21, 1962. Includes adjustment under SFA Submittal A-47194.

B Section 3, TL/CTR Tariff 703, in effect on May 12, 1962. Includes adjustment under SFA Submittal A-47194.

C Same territorial application as column (2)C, except difference at 800-mile block of 1 cent (88 cents versus 87 cents), SFA to official and WTL territories. Section 6, TL/CTR Tariff 703, items 59510, 59515 of SFTB Tariff 867-C, in effect on September 15, 1962.

(5) Column (4) rates further increased by 1/2 cent, 1 cent, 2 cents or 3 cents per hundredweights, as provided within Tariff Ex Parte No. 256. Intra-SFA increase within Tariff X-256 held to maximum increase of 2 cents per hundredweight on shipments subject to minimum weight of 50M and less, 1 cent per hundredweight maximum on shipments rated exceeding 50M.

Column 2 demonstrates the effect of the intraeastern rollback since the rates within the East for the first 400 miles are lower than the intrasouthern and interterritorial rates for comparable mileages. This situation continued after the rates were subjected to the Ex Parte No. 223 increase, as demonstrated in column 3. Column 4 shows that after the general 1962 revision in rates, the resulting rates, still at the Ex Parte No. 223 level, had become equalized within the South, the East, and interterritorially. Column 5 shows that at 700 miles and continuing thereafter, the effect of the dissimilar increases in Ex Parte No. 256, establishing higher rates within and between eastern territory than applying within the South.

Thus, in the span of these few rate adjustments, intraeastern shippers went from a position of having a slight rate advantage when compared to their southern competitors for distances up to 400 miles, to a position of slight relative disadvantage for distances beyond 700 miles.

In table 16 the same comparisons are made for pulpboard rates as for printing and wrapping paper, and the same general conclusions drawn from the previous table may be drawn from this one also.

TABLE 16

History of APPA long-haul scales of rates, applicable on pulpboard, not corrugated, STCC 26-311-16, X-206-A through X-256 general increase level, at minimum weight of 36,000 pounds

(RATES SHOWN IN CENTS PER 100 POUNDS)

Docket No. 28300 (100-mile blocks) (1)	X-206-A level			X-223-A level			X-223-A level (after 1962 adjustment)			X-256 level		
	A SFA	B Official (2)	C Between	A SFA	B Official (3)	C Between	A SFA	B Official (4)	C Between	A SFA	B Official (5)	C Between
100	.26	.25	.26	.26 1/2	.25 1/2	.26 1/2	.25 1/2	.25 1/2	.25 1/2	.26 1/2	.26 1/2	.26 1/2
200	.37	.35	.37	.37 1/2	.35 1/2	.37 1/2	.35 1/2	.35 1/2	.35 1/2	.37 1/2	.37 1/2	.37 1/2
300	.45	.43	.45	.45 1/2	.43 1/2	.45 1/2	.43 1/2	.43 1/2	.43 1/2	.45 1/2	.45 1/2	.45 1/2
400	.57	.54	.57	.57 1/2	.54 1/2	.57 1/2	.54 1/2	.54 1/2	.54 1/2	.56 1/2	.56 1/2	.56 1/2
500	.64	.64	.64	.64 1/2	.64 1/2	.64 1/2	.61 1/2	.61 1/2	.61 1/2	.63 1/2	.63 1/2	.63 1/2
600	.71	.71	.71	.72	.72	.72	.68	.68	.68	.70	.70	.70
700	.78	.78	.78	.79	.79	.79	.75	.75	.75	.77	.77	.77
800	.86	.86	.86	.87	.87	.87	.83	.83	.83	.85	.86	.86
900	.91	.91	.91	.92	.92	.92	.87	.87	.87	.89	.90	.90
1,000	.97	.97	.97	.98	.98	.98	.93	.93	.93	.95	.96	.96
1,100	1.03	1.03	1.03	1.04	1.04	1.04	.99	.99	.99	1.01	1.02	1.02
1,200	1.08	1.08	1.08	1.09	1.09	1.09	1.04	1.04	1.04	1.06	1.07	1.07
1,300	1.11	1.11	1.11	1.12	1.12	1.12	1.06	1.06	1.06	1.08	1.09	1.09
1,400	1.17	1.17	1.17	1.18	1.18	1.18	1.12	1.12	1.12	1.14	1.15	1.15
1,500	1.22	1.22	1.22	1.23	1.23	1.23	1.17	1.17	1.17	1.19	1.20	1.20
1,600	----------	1.26	1.26	----------	1.27	1.27	----------	1.21	1.21	----------	1.24	1.24
1,700	----------	1.30	1.30	----------	1.31	1.31	----------	1.25	1.25	----------	1.28	1.28
1,800	----------	1.34	1.34	----------	1.35	1.35	----------	1.28	1.28	----------	1.31	1.31
1,900	----------	1.45	1.45	----------	1.46	1.46	----------	1.39	1.39	----------	1.42	1.42
2,000	----------	1.53	1.53	----------	1.54	1.54	----------	1.46	1.46	----------	1.49	1.49

See notes on following page.

Explanation of columns

(1) One hundred-mile increments to 2,000 miles, or last mileage block if less than 2,000. Published scales varied 1,500 to 3,000 miles in length.

(2)A Item 59505, SFTB Tariff 867-C, in effect on August 5, 1959.

B Section 3, TL/CTR Tariff 703, in effect on June 15, 1959.

C Items 59510, 59515, SFTB Tariff 867-B; section 6, TL/CTR Tariff 703; in effect on January 15, 1960. Interterritorial application between official, SFA and WTL identical.

(3) Base rates in column (2) further increased under Ex Parte No. 223-A, i.e., 0 to 65 cents by 1/2 cent per hundredweight, 66 cents and over by 1 cent per hundredweight.

(4)A Item 59505, SFTB Tariff 867-C, in effect on March 21, 1962. Includes adjustment under SFA Submittal A-47194.

B Section 3, TL/CTR Tariff 703, in effect on May 12, 1962. Includes adjustment under SFA Submittal A-47194.

C Same application as column (2)C. Includes adjustment under SFA Submittal A-47194.

(5) Column (4) rates further increased by 1/2 cent, 1 cent, 2 cents or 3 cents per hundredweights, as provided within Tariff Ex Parte No. 256. Intra-SFA increase within Tariff X-256 held to maximum increase of 2 cents per hundredweight on shipments subject to minimum weight of 50M and less, 1 cent per hundredweight maximum on shipments rated exceeding 50M.

The southern railroads state that at the request of the Southern Paper Manufacturers Traffic Conference, southern rail carriers in December 1955 suggested a new scale of rates subject to minimum weight of 70,000 pounds on paper and related articles (not including pulpboard) for application in the below-described territory:

(1) Between points in Southern Freight Association Territory; and

(2) From points in Southern Freight Association Territory to points in official, IFA, and western trunkline (zone 1) territories.

The suggested 70,000-pound scale of rates reflected 85 percent of the existing 36,000-pound scale rates at the Ex Parte No. 168-B level. A comparison of the proposed and then existing rates is made in the table below.

TABLE 17

Comparison of existing rates and those suggested on paper and related articles as described in description A, item 500, SFTB F.T. 867

(RATES IN CENTS PER 100 POUNDS—X-168-B LEVEL)

Docket No. 28300 miles	Existing rates		Proposed rates '70M
	36M	50M	
100	23	21	20
200	32	29	27
300	40	37	34
400	49	46	42
500	56	53	48
600	62	59	53
700	68	65	58
800	74	71	63
900	79	75	67
1,000	84	80	71
1,100	89	85	76
1,200	93	88	79

[1] Not subject to rule 24 of the classification.

It is stated that considerable handling was given to this adjustment by other carrier associations outside southern territory and finally approved by these other associations. Publication was subsequently made.

Witness Kreckman notes that 36,000-pound rates were used to a lesser degree since most of the heavy-loading grades of paper tended to move at the lowest rates available which were at the highest minimum weight. In another sense, however, the witness states that the 36,000-pound rates continued to be important since they were base rates from which other rates at higher minimum weights were derived. Witness Kreckman states that as rates were subjected to successive horizontal increases, the result was that the same impact took place at the rates carrying minimum weights of 70,000 and 90,000 pounds. The 70,000- and 90,000-pound rates are not shown at these levels in the previous tables since they were not always in existence, having been added over the years; whereas, the 36,000-pound rate level existed from the inception of the APPA long-haul scale.

The southern railroads point to a proposal released May 13, 1960, which provided that reduction in rates on paper and paper articles, including pulpboard. This reduction amounted to 10 percent on all paper and paper articles moving on the 36,000-pound scale, except pulpboard or fiberboard, where the 36,000-pound scale was reduced 5 percent. All 50,000- and 70,000-pound scales were reduced by making them 90 percent and 80 percent, respectively, of the new 36,000-pound scale rates. This proposal was primarily directed to meeting private truck competition on paper and paper articles. The rates were approved by southern carriers for application between points in southern territory. Other jurisdictions gave considerable handling to the interterritorial application of the proposed rates. Finally, they were approved to apply between points in southern territory, on the one hand, and points in official, IFA, SWFB, and WTL on the other. A comparison of proposed and existing rates are shown in the tables below.

TABLE 18

Comparison of existing rates and those suggested on paper and related articles as described in descriptions A, B, and H, in item 585-C of SFTB 867-B, ICC S-46

(RATES IN CENTS PER 100 POUNDS—X-212 LEVEL)

Miles	Descriptions A and B						Description H	
	Wrapping paper, printing paper, et cetera						Corrugated boxes	
	Existing Minimum weights			Proposed Minimum weights			Existing Minimum weights	Proposed Minimum weights
	36M	50M	70M	36M	50M	70M	36M	36M
100-----	29	26	25	26	23	21	29	26
200-----	41	37	35	37	33	30	41	37
300-----	51	48	43	46	41	37	51	46
400-----	62	59	54	56	50	45	62	56
500-----	71	68	61	64	58	51	71	64
600-----	79	76	68	71	64	57	79	71
700-----	87	84	75	78	70	62	87	78
800-----	95	91	80	85	77	68	95	85
900-----	101	96	86	91	82	73	101	91
1,000-----	108	103	91	97	87	78	108	97
1,100-----	113	109	97	102	92	82	113	102
1,200-----	119	112	101	107	96	86	119	107

TABLE 19

Comparison of existing rates and those suggested on pulpboard as described in descriptions "C" and "I," item 585, SFTB 867-P, ICC S-46

(RATES IN CENTS PER 100 POUNDS—X-212 LEVEL)

Docket No. 28300 miles	Other than corrugated pulpboard, fiberboard, et cetera						Corrugated pulpboard, et cetera	
	Description C						Description I	
	Existing minimum weights			Proposed minimum weights			Existing Minimum	Proposed weights
	36,000 pounds	50,000 pounds	70,000 pounds	36,000 pounds	50,000 pounds	70,000 pounds	36,000 pounds	36,000 pounds
100-----	26	24	23	25	23	20	26	25
200-----	37	34	33	35	32	28	37	35
300-----	45	42	40	43	39	34	45	43
400-----	57	53	48	54	49	43	57	54
500-----	64	61	55	61	55	49	64	61
600-----	71	68	61	67	60	54	71	67
700-----	78	76	67	74	67	59	78	74
800-----	86	82	74	82	74	66	86	82
900-----	91	87	77	86	77	69	91	86
1,000-----	97	92	84	92	83	74	97	92
1,100-----	103	99	87	98	88	78	103	98
1,200-----	108	101	91	103	93	82	108	103

It is interesting to note that under this adjustment rates were approved from southern territory to SWL and WTL (except zone 1) the same as other territories. Previously, this territory had been accorded a somewhat higher basis. Thus, all rates on paper and paper articles within southern territory and from southern territory to official, IFA, SWL, and WTL territories became uniform.

In addition to the scale rates on pulpboard or fiberboard, commodity rates were established April 18, 1962, minimum weight 80,000 pounds, reflecting 12 1/2 percent of docket No. 28300 first-class rates at the Ex Parte No. 212 level. These rates were made to meet truck competition

In lieu of approving proposals suggesting an extension of rates reflecting the 12 1/2 percent of first-class basis, the SFA executive committee approved publication of a scale of rates on pulpwood or fiberboard for application between all points in SFA territory and from SFA territory to destinations in official, IFA, SWL, and WTL territories, and made 70 percent of the existing scale of rates on pulpboard, minimum 36,000 pounds. These rates, published at the 90,000-pound level, are shown below.

TABLE 20

(RATES IN CENTS PER 100 POUNDS—X-223 LEVEL)

Miles	Pulpboard or fiberboard	
	Existing 70M	Approved 90M
100	20 1/2	18
200	28 1/2	25
300	34 1/2	30 1/2
400	43 1/2	38
500	49 1/2	43
600	54 1/2	47 1/2
700	59 1/2	52 1/2
800	67	58
900	70	61
1,000	75	65
1,100	79	69 1/2
1,200	83	73

The heavy-loading 90,000-pound rates at the 70-percent level, established on pulpboard, set off similar rate adjustments on other heavy paper articles between 1963 and 1965. Adjustments were made first to printing paper and then to wrapping paper and groundwood paper. In 1964 and 1965 these rates were extended to destinations in SWL, IFA, and WTL territories. These adjustments are shown below.

TABLE 21

(RATES IN CENTS PER 100 POUNDS—X-223 LEVEL)

Docket No. 28300 Miles	Existing 70M	Approved 90M	Amount of reduction
100	21 1/2	19	2 1/2
200	30 1/2	26	4 1/2
300	37 1/2	33	4 1/2
400	45 1/2	40	5 1/2
500	51 1/2	45	6 1/2
600	57 1/2	50	7 1/2
700	62 1/2	55	7 1/2
800	70	61	9
900	74	64	10
1,000	79	69	10
1,100	83	72	11
1,200	87	76	11

The 90,000-pound rates of printing, wrapping, and groundwood papers reflecting 70 percent of the 36,000-pound rates that were approved and published from SFA territory to IFA and WTL territories were not made applicable to official territory. This resulted in mills located outside official territory having a lower level of rates than those located in official territory.

Producers located in official territory requested the eastern railroads to docket a proposal to establish scale rates on paper and paper articles, subject to a minimum weight of 100,000 pounds, made 70 percent of the 36,000-pound rates and incentive excess rates on all tonnage loaded in car in excess of 100,000 pounds made 60 percent of the 100,000-pound rates.

After consideration of the existing rates within, from, and to official territory, rail carriers established 100,000-pound scale rates made 92 percent of the existing 70,000-pound rates and incentive rates made 70 percent of the 100,000-pound rates to apply on all weight in excess of 100,000 pounds. Publication of rates having application between southern and official territories were effective January 27, 1969, and February 20, 1969, respectively.

Representative rates reflecting the basis described are shown below.

TABLE 22

Representative rates (X-223 level)

Docket No. 28300 miles	Existing rates 70M	Approved rates (see Note)	
		100,000 pounds column A	Excess column B
100	21 1/2	20	14
200	30 1/2	28	20
300	37 1/2	35	25
400	45 1/2	42	29
500	51 1/2	47	33
600	57 1/2	53	37
700	62 1/2	58	41
800	70	64	45
900	74	68	48
1,000	79	72	50

Note: (1) Not subject to rule 24 of UFC or exceptions thereto, nor to any rule that permits the use of more than one car.

(2) Not subject to stopping in transit for completion of loading or partial unloading.

(3) Not applicable on export or import traffic.

Prior to 1969, rail carriers had been presented with various requests for the establishment of scale rates or specific rates on pulpboard and fiberboard to encourage heavier loading. Rates on pulpboard or fiberboard subject to a minimum weight of 120,000 pounds, reflecting 60 per cent of the existing 36,000-pound rates, had previously been established to a limited number of points. As an example southern rail carriers had previously approved rates from southern territory to a number of stations in Illinois which became effective June 10, 1965.

The rail carriers approved reduced rates reflecting two levels subject to minimum weights of 100,000 and 120,000 pounds per car depending upon the car size for application throughout docket No. 28300 territory to achieve uniformity. The first level of rates applied to all tonnage not exceeding 100,000/120,000 pounds and were made one-half cent per hundredweight under the existing 90,000-pound rates. The second level of rates applied on tonnage exceeding 100,000/120,000 pounds and were made 70 percent of the 100,000/120,000 pound rates. Representative rates are shown in the following table.

TABLE 23

Representative rates (X-223 level)

RATES IN CENTS PER HUNDREDWEIGHT PULPBOARD OR FIBERBOARD

Docket No. 28300 miles	Present rates 90,000 pounds	Approved rates (see Notes)	
		Column A	Column B
100	18	17 1/2	12 1/2
200	25 1/2	24 1/2	17 1/2
300	30 1/2	30	21 1/2
400	38	37 1/2	26 1/2
500	43	42 1/2	30
600	47 1/2	47	33 1/2
700	52 1/2	52	37
800	58	57 1/2	40 1/2

Application of columns A and B

(1) Minimum weight 100,000 pounds, carload, when loaded in closed car not exceeding 53 feet in length nor 11 feet in height (inside measurements) and having capacity not exceeding 5,300 cubic feet***.

Apply column A rates.

(2) On shipments weighing in excess of 100,000 pounds in the car when loaded in closed cars not exceeding 53 feet in length nor 11 feet in height (inside measurements) and having capacity not exceeding 5,300 cubic feet:

On first 100,000 pounds *** Apply column A rates on weight in excess of 100,000 pounds ***. Apply column B rates.

(3) On shipments weighing in excess of 120,000 pounds in the car when loaded in closed cars exceeding 53 feet in length but not exceeding 61 feet in length nor 11 feet, 6 inches in height (inside measurements) and having capacity exceeding 5,300 but not exceeding 6,600 cubic feet:

On first 120,000 pounds ***Apply column A rates on weight in excess of 120,000 pounds *** Apply column B rates.

Note1—Not subject to rule 24 of UFC or exceptions thereto.

Note 2—Not subject to stopoff privileges to complete loading or partially unload.

The proposal provided for cancellation of all point-to-point rates, minimum weight 120,000 pounds, reflecting the 60-percent basis applicable from points in all territories to all destinations such as Carol Stream, Carpentersville, Chicago, Kankakee, and North Chicago, Ill., concurrently with publication of suggested rates. Suggested rates were to alternate with other existing rates. In connection with this adjustment a uniform effective date of June 12, 1969, was observed between all territories involved.

Table 24 is a continuation of witness Kreckman's table 15 taking the rates shown in column 5 of table 15 and bringing the rates through the successive general increases of Ex Parte Nos. 259, 262, 265, and 267, thus updating the increases through 1971.

TABLE 24

History of APPA long-haul scales of rates, applicable to printing paper, wrapping paper, and similarly grouped paper articles, X-259-B through X-267-B, general increase level at minimum weight of 36,000 pounds

(RATES SHOWN IN CENTS PER 100 POUNDS)

Docket No. 28300 (100-mile blocks)	X-259-B level			X-262 level			X-265-B level			X-267-B level		
	A SFA	B Official	C Between	A SFA	B Official	C Between	A SFA	B Official	C Between	A SFA	B Official	C Between
(1)		(2)			(3)			(4)			(5)	
100	.29	.29	.29	.31	.31	.31	.33	.33	.33	.35	.38	.35
200	.41	.41	.41	.43	.43	.43	.46	.46	.46	.49	.52	.49
300	.51	.51	.51	.54	.54	.54	.57	.57	.57	.60	.65	.60
400	.61	.61	.61	.65	.65	.65	.69	.69	.69	.73	.79	.73
500	.70	.70	.70	.74	.74	.74	.78	.78	.78	.83	.89	.83
600	.78	.78	.78	.83	.83	.83	.88	.88	.88	.93	1.00	.93
700	.85	.85	.85	.90	.90	.90	.95	.95	.95	1.01	1.08	1.01
800	.93	.95	.95	.99	1.01	1.01	1.05	1.07	1.07	1.11	1.22	1.13
900	.99	1.00	1.00	1.05	1.06	1.06	1.11	1.12	1.12	1.18	1.28	1.19
1,000	1.05	1.06	1.06	1.11	1.12	1.12	1.18	1.19	1.19	1.25	1.36	1.26
1,100	1.10	1.11	1.11	1.17	1.18	1.18	1.24	1.25	1.25	1.31	1.43	1.33
1,200	1.16	1.17	1.17	1.23	1.24	1.24	1.30	1.31	1.31	1.38	1.49	1.39
1,300	1.22	1.23	1.23	1.29	1.30	1.30	1.37	1.38	1.38	1.45	1.57	1.46
1,400	1.25	1.26	1.26	1.33	1.34	1.34	1.41	1.42	1.42	1.49	1.62	1.51
1,500	1.30	1.31	1.31	1.38	1.39	1.39	1.46	1.47	1.47	1.55	1.68	1.56
1,600		1.37	1.37		1.45	1.45		1.54	1.54		1.76	1.63
1,700		1.42	1.42		1.51	1.51		1.60	1.60		1.82	1.70
1,800		1.46	1.46		1.55	1.55		1.64	1.64		1.87	1.74
1,900		1.56	1.56		1.65	1.65		1.75	1.75		2.00	1.86
2,000		1.65	1.65		1.75	1.75		1.86	1.86		2.12	1.97

See notes on following page.

Explanation of columns

(1) One hundred-mile increments to 2,000 miles, or last mileage block if less than 2,000. Published scales varied 1,500 to 3,000 miles in length.

(2) Column (5) rates of exhibit 1 further increased by 5 percent as provided within tariff Ex Parte No. 259-B.

(3) Column (2) rates further increased by 6 percent as provided within tariff Ex Parte No. 262.

(4) Column (3) rates further increased by 6 percent as provided within tariff Ex Parte No. 265-B.

(5) Column (4) rates further increased by 6 percent, 12 percent, or 14 percent, as provided within tariff Ex Parte No. 267-B.

Since the first three of these general increases were applied uniformly throughout the county—Ex Parte Nos. 259, 262, and 265—there was no disruption of previously existing relationships. Specifically, where intrasouthern rates were the same as intraeastern rates at the Ex Parte No. 256 level—up to 700 miles—they continued to be the same at the Ex Parte No. 265 level, and where rates within the South were lower at the Ex Parte No. 265 level—beginning at 800 miles—they continued to be lower, although the amount by which they were lower occasionally widened to more than 1 cent due to the disposition of fractions, as at mileage block 800 for example.

Table 25 setting forth rates on pulpboard, is a continuation of history of pulpboard rates shown earlier.

TABLE 25

History of APPA long-haul scales of rates, applicable on pulpboard, not corrugated, STCC 26-311-16, X-259-B through X-267-B general increase level, at minimum weight of 36,000 pounds

(RATES SHOWN IN CENTS PER 100 POUNDS)

Docket No. 28300 100-mile blocks (1)	X-259-B level			X-262 level			X-265-B level			X-267-B level		
	A SFA	B Official (2)	C Between	A SFA	B Official (3)	C Between	A SFA	B Official (4)	C Between	A SFA	B Official (5)	C Between
100	.28	.28	.28	.30	.30	.30	.32	.32	.32	.34	.36	.34
200	.39	.39	.39	.41	.41	.41	.43	.43	.43	.46	.49	.46
300	.48	.48	.48	.51	.51	.51	.54	.54	.54	.57	.62	.57
400	.59	.59	.59	.63	.63	.63	.67	.67	.67	.71	.76	.71
500	.67	.67	.67	.71	.71	.71	.75	.75	.75	.80	.86	.80
600	.74	.74	.74	.78	.78	.78	.83	.83	.83	.88	.95	.88
700	.81	.81	.81	.86	.86	.86	.91	.91	.91	.96	1.04	.96
800	.89	.90	.90	.94	.95	.95	1.00	1.01	1.01	1.06	1.15	1.07
900	.93	.95	.95	.99	1.01	1.01	1.05	1.07	1.07	1.11	1.22	1.13
1,000	1.00	1.01	1.01	1.06	1.07	1.07	1.12	1.13	1.13	1.19	1.29	1.20
1,100	1.06	1.07	1.07	1.12	1.13	1.13	1.19	1.20	1.20	1.26	1.37	1.27
1,200	1.11	1.12	1.12	1.18	1.19	1.19	1.25	1.26	1.26	1.33	1.44	1.34
1,300	1.13	1.14	1.14	1.20	1.21	1.21	1.27	1.28	1.28	1.35	1.46	1.36
1,400	1.20	1.21	1.21	1.27	1.28	1.28	1.35	1.36	1.36	1.43	1.55	1.44
1,500	1.25	1.26	1.26	1.33	1.34	1.34	1.41	1.42	1.42	1.49	1.62	1.51
1,600		1.30	1.30		1.38	1.38		1.46	1.46		1.66	1.55
1,700		1.34	1.34		1.42	1.42		1.51	1.51		1.72	1.60
1,800		1.38	1.38		1.46	1.46		1.55	1.55		1.77	1.64
1,900		1.49	1.49		1.58	1.58		1.67	1.67		1.90	1.77
2,000		1.56	1.56		1.65	1.65		1.75	1.75		2.00	1.86

See notes on following pages.

Explanation of columns

(1) One hundred-mile increments to 2,000 miles, or last mileage block if less than 2,000. Published scales varied, 1,500 to 3,000 miles in length.

(2) Column (5) rates of exhibit 2 further increased by 5 percent as provided within tariff Ex Parte No. 259-B.

(3) Column (2) rates further increased by 6 percent as provided within tariff Ex Parte No. 262.

(4) Column (3) rates further increased by 6 percent as provided within tariff Ex Parte No. 265-B.

(5) Column (4) rates further increased by 6 percent, 12 percent, or 14 percent as provided within Tariff Ex Parte No. 267-B.

The next general increase proceeding in which there was a significant variation in the percentage increase applicable to rates on paper within the three major ratemaking territories of the United States was Ex Parte No. 267. In this proceeding, the final report and order of the Commission authorized an increase of 6 percent within SFA territory, 12 percent within western territory, 14 percent within eastern territory, 12 percent interterritorially between East and West, and 6 percent between the South and the rest of the United States.

The rates resulting from these three disparate increases are shown in column 5 of tables 24 and 25. The result is that intrasouthern rates were the lowest, interterritorial rates were 1 or 2 cents higher and intraeastern rates were the highest of all.

It is alleged by witness Kreckman that the net effect of this increase was similar to the effect of the Southern Railway's individual action in Ex Parte No. 206—the disruption of competitive rate relationships between paper manufacturers in the East and West on the one hand, and, on the other, paper manufacturers in the South.

However, in actual publication of these approved rates, the western lines rolled back the Ex Parte No. 267 increase to the 6-percent increase applicable within the South. The eastern lines, on the other hand applied an 8-percent increase for intraeastern paper traffic. Thus southern shippers could ship into eastern markets with rates which had been increased by 6 percent, whereas eastern shippers shipping to eastern markets had to pay an increase of 8 percent.

These rollbacks were effective in the tariffs naming rates on paper, than by changing the provisions of the general increase tariffs themselves.

In witness Kreckman's table 26, column 2, the rates are the same as shown in column 5, table 24, at the Ex Parte No. 265 level, after being increased by the full measure of the Ex Parte No. 267

increase. Column 3 of table 26 shows the rates which became applicable after the rollback became effective. However, the interritorial rates shown in column 3C of table 24 are not precisely the same as the intra-SFA rates in column 3A, because the 6-percent increase under Ex Parte No. 267, which was applied to the rates in both these columns was applicable on a slightly higher interterritorial rate base.

TABLE 26

History of APPA long-haul scales of rates, applicable to printing paper, wrapping paper, and similarly grouped paper articles, X-267-B through X-310-A general increase level at minimum weight of 36,000 pounds

(RATES SHOWN IN CENTS PER 100 POUNDS)

Docket No. 28300 100 mile blocks	X-267-B level (Prior to roll-back)			X-267-B level (After roll-back)			X-281-B level			X-295-A level		
(1)	A SFA	B official (2)	C between	A SFA	B official (3)	C between	A SFA	B official (4)	C between	A SFA	B official (5)	C between
100	.35	.38	.35	.35	.36	.35	.36	.37	.36	.37	.38	.37
200	.49	.52	.49	.49	.50	.49	.50	.52	.50	.52	.54	.52
300	.60	.65	.60	.60	.62	.60	.62	.64	.62	.64	.66	.64
400	.73	.79	.73	.73	.75	.73	.75	.77	.75	.77	.79	.77
500	.83	.89	.83	.83	.84	.83	.85	.87	.85	.88	.90	.88
600	.93	1.00	.93	.93	.95	.93	.96	.98	.96	.99	1.01	.99
700	1.01	1.08	1.01	1.01	1.03	1.01	1.04	1.06	1.04	1.07	1.09	1.07
800	1.11	1.22	1.13	1.11	1.16	1.13	1.14	1.19	1.16	1.17	1.23	1.19
900	1.18	1.28	1.19	1.18	1.21	1.19	1.22	1.25	1.23	1.26	1.29	1.27
1,000	1.25	1.36	1.26	1.25	1.29	1.26	1.29	1.33	1.30	1.33	1.37	1.34
1,100	1.31	1.43	1.33	1.31	1.35	1.33	1.35	1.39	1.37	1.39	1.43	1.41
1,200	1.38	1.49	1.39	1.38	1.41	1.39	1.42	1.45	1.43	1.46	1.49	1.47
1,300	1.45	1.57	1.46	1.45	1.49	1.46	1.49	1.53	1.50	1.53	1.58	1.55
1,400	1.49	1.62	1.51	1.49	1.53	1.51	1.53	1.58	1.56	1.58	1.63	1.61
1,500	1.55	1.68	1.56	1.55	1.59	1.56	1.60	1.64	1.61	1.65	1.69	1.66
1,600	....	1.76	1.63	....	1.66	1.63	....	1.71	1.68	....	1.76	1.73
1,700	....	1.82	1.70	....	1.73	1.70	....	1.78	1.75	....	1.83	1.80
1,800	....	1.87	1.74	....	1.77	1.74	....	1.82	1.79	....	1.87	1.84
1,900	....	2.00	1.86	....	1.89	1.86	....	1.95	1.92	....	2.01	1.98
2,000	....	2.12	1.97	....	2.01	1.97	....	2.07	2.03	....	2.13	2.09

See notes on following page.

Explanation of columns

(1) One hundred-mile increments to 2,000 miles, or last mileage block, if less than 2,000. Published scales vary from 1,500 to 3,000 miles in length.

(2) Column (5) of exhibit 3 repeated. Rates include increases as provided within Ex Parte No. 267-B of 6 percent, 12 percent, or 14 percent. Column (2)C applied between official and SFA, and from SFA to WTL territory. In effect on June 8, 1971.

(3) Column (3) defines rates applicable after general rollback as provided within individual paper tariffs.

A Authority, item 59507 of SFTB Tariff 867. Six-percent increase as provided within Ex Parte Tariff 267-B remained unchanged.

B Authority, section 3 of TL/CTR Tariff 703. Fourteen-percent increase as provided within Ex Parte Tariff 267-B reduced to 8 percent within Tariff TL/CTR 703, effective July 10, 1972.

C Authority, items 59511, 59517 of SFTB Tariff 867, section 6 of TL/CTR Tariff 703. Rates applicable, which include a 6-percent increase as provided within Ex Parte Tariff 267-B, between official and SFA, and SFA *to* WTL territory.

(4) Column (3) rates increased by 3.0 percent as provided within Ex Parte Tariff 281-B, effective October 23, 1972.

(5) Column (4) rates increased by 3.0 percent as provided within Ex Parte Tariff 295-A, effective August 19, 1973.

History of APPA long-haul scales of rates, applicable to printing paper, wrapping paper, and similarly grouped paper articles, X-267-B through X-310-A general increase level at minimum weight of 36,000 pounds—Continued

(RATES SHOWN IN CENTS PER 100 POUNDS)

Docket No. 28300 100-mile blocks (1)	X-299-A level			X-303-A level			X-305-A level			X-310-A level		
	A SFA	B official (2)	C between	A SFA	B official (3)	C between	A SFA	B official (4)	C between	A SFA	B official (5)	C between
100	.38	.39	.38	.40	.41	.40	.45	.46	.45	.48	.49	.48
200	.53	.56	.53	.55	.58	.55	.63	.66	.63	.67	.71	.67
300	.66	.68	.66	.69	.71	.69	.78	.80	.78	.83	.86	.83
400	.79	.81	.79	.82	.84	.82	.94	.96	.94	1.01	1.03	1.01
500	.90	.93	.90	.94	.97	.94	1.07	1.10	1.07	1.14	1.18	1.14
600	1.02	1.04	1.02	1.06	1.08	1.06	1.20	1.23	1.20	1.28	1.32	1.28
700	1.10	1.12	1.10	1.14	1.16	1.14	1.30	1.32	1.30	1.39	1.41	1.39
800	1.20	1.26	1.22	1.25	1.31	1.27	1.42	1.49	1.44	1.52	1.59	1.54
900	1.30	1.33	1.31	1.35	1.38	1.36	1.53	1.57	1.54	1.64	1.68	1.65
1,000	1.37	1.41	1.38	1.42	1.47	1.44	1.62	1.67	1.64	1.73	1.79	1.75

History of APPA long-haul scales of rates, applicable to printing paper, wrapping paper, and similarly grouped paper articles, X-267-B through X-310-A general increase level at minimum weight of 36,000 pounds—Continued

(RATES SHOWN IN CENTS PER 100 POUNDS)

Docket No. 28300 100-mile blocks (1)	X-299-A level			X-303-A level			X-305-A level			X-310-A level		
	A SFA	B official (2)	C between	A SFA	B official (3)	C between	A SFA	B official (4)	C between	A SFA	B official (5)	C between
1,100	1.43	1.47	1.45	1.49	1.53	1.51	1.69	1.74	1.72	1.81	1.86	1.84
1,200	1.50	1.53	1.51	1.56	1.59	1.57	1.77	1.80	1.78	1.89	1.93	1.90
1,300	1.57	1.62	1.59	1.63	1.68	1.65	1.85	1.91	1.87	1.98	2.04	2.00
1,400	1.62	1.68	1.66	1.68	1.75	1.73	1.91	1.99	1.97	2.04	2.13	2.11
1,500	1.70	1.74	1.71	1.77	1.81	1.78	2.01	2.06	2.02	2.15	2.20	2.16
1,600		1.81	1.78		1.88	1.85		2.13	2.10		2.28	2.25
1,700		1.88	1.85		1.96	1.92		2.22	2.18		2.38	2.33
1,800		1.92	1.89		2.00	1.97		2.28	2.24		2.44	2.40
1,900		2.07	2.04		2.15	2.12		2.44	2.41		2.61	2.58
2,000		2.19	2.15		2.28	2.24		2.60	2.54		2.78	2.72

Explanation of columns

(1) One hundred-mile increments to 2,000 miles, or last mileage block, if less than 2,000. Published scales vary from 1,500 to 3,000 miles in length.

(2) Column (5) of page 1 rates increased by 2.8 percent as provided within Ex Parte Tariff 299-A, which became effective on April 20, 1974.

(3) Column (2) rates increased by 4.0 percent as provided within Ex Parte Tariff 303-A, effective March 9, 1974.

(4) Column (3) rates increased by 3.3 percent (fuel cost surcharge) and then 10.0 percent, as provided within Ex Parte Tariff 305-A, effective June 20, 1974.

(5) Column (4) rates increased by 7.0 percent as provided within Ex Parte Tariff 310-A, effective April 27, 1975.

TABLE 27

History of APPA long-haul scales of rates, applicable on pulpboard, not corrugated, STCC 26-311-16, X-267-B through X-310-A, general increase level, at minimum weight of 36,000 pounds

(RATES SHOWN IN CENTS PER 100 POUNDS)

Docket No. 28300 100-mile blocks (1)	X-267-B level (Prior to roll-back)			X-267-B level (After roll-back)			X-281-B level			X-295-A level		
	A SFA	B official (2)	C between	A SFA	B official (3)	C between	A SFA	B official (4)	C between	A SFA	B official (5)	C between
100	.34	.36	.34	.34	.35	.34	.35	.36	.35	.36	.37	.36
200	.46	.49	.46	.46	.46	.46	.47	.47	.47	.48	.48	.48
300	.57	.62	.57	.57	.58	.57	.59	.60	.59	.61	.62	.61
400	.71	.76	.71	.71	.72	.71	.73	.74	.73	.75	.76	.75
500	.80	.86	.80	.80	.80	.80	.82	.82	.82	.84	.84	.84
600	.88	.95	.88	.88	.90	.88	.91	.93	.91	.94	.96	.94
700	.96	1.04	.96	.96	.98	.96	.99	1.01	.99	1.02	1.04	1.02
800	1.06	1.15	1.07	1.06	1.09	1.07	1.09	1.12	1.10	1.12	1.15	1.13
900	1.11	1.22	1.13	1.11	1.16	1.13	1.14	1.19	1.16	1.17	1.23	1.19
1,000	1.19	1.29	1.20	1.19	1.22	1.20	1.23	1.26	1.24	1.27	1.30	1.28
1,100	1.26	1.37	1.27	1.26	1.30	1.27	1.30	1.34	1.31	1.34	1.38	1.35
1,200	1.33	1.44	1.34	1.33	1.36	1.34	1.37	1.40	1.38	1.41	1.44	1.42
1,300	1.35	1.46	1.36	1.35	1.38	1.36	1.39	1.42	1.40	1.43	1.46	1.44
1,400	1.43	1.55	1.44	1.43	1.47	1.44	1.47	1.51	1.48	1.51	1.56	1.52
1,500	1.49	1.62	1.51	1.49	1.53	1.51	1.53	1.58	1.56	1.58	1.63	1.61
1,600	------------	1.66	1.55	------------	1.58	1.55	------------	1.63	1.60	------------	1.68	1.65
1,700	------------	1.72	1.60	------------	1.63	1.60	------------	1.68	1.65	------------	1.73	1.70
1,800	------------	1.77	1.64	------------	1.67	1.64	------------	1.72	1.69	------------	1.77	1.74
1,900	------------	1.90	1.77	------------	1.80	1.77	------------	1.85	1.82	------------	1.91	1.87
2,000	------------	2.00	1.86	------------	1.89	1.86	------------	1.95	1.92	------------	2.01	1.98

Explanation of columns

(1) One hundred-mile increments to 2,000 miles, or last mileage block, if less than 2,000. Published scales vary from 1,500 to 3,000 miles in length.

(2) Column (5) of exhibit 4 repeated. Rates include increases as provided within Ex Parte Tariff 267-B of 6 percent, 12 percent, or 14 percent. Column (2)C applied between official and SFA, and from SFA to WTL territory. In effect on June 8, 1971.

(3) Column (3) defines rates applicable after general rollback as provided within individual paper tariffs.

A Authority, item 59508 of SFTB Tariff 867. Six-percent increase as provided within Ex Parte Tariff 267-B remained unchanged.

B Authority, section 3 of TL/CTR Tariff 703. Fourteen-percent increase as provided within Ex Parte Tariff 267-B reduced to 8 percent within Tariff TL/CTR 703, effective July 10, 1972.

C Authority, items 59514, 59518 of SFTB Tariff 867, Section 6 of TL/CTR Tariff 703. Rates applicable, which include a 6 percent increase as provided within Ex Parte Tariff 267-B, between official and SFA, and SFA *to* WTL territory.

(4) Column (3) rates increased by 3.0 percent as provided within Ex Parte Tariff 281-B, effective October 23, 1972.

(5) Column (4) rates increased by 3.0 percent as provided within Ex Parte Tariff 295-A, effective August 19, 1973.

History of APPA long-haul scales of rates, applicable on pulpboard, not corrugated, STCC 26-311-16, X-267-B through X-310-A, general increase level, at minimum weight of 36,000 pounds—Continued

(RATES SHOWN IN CENTS PER 100 POUNDS)

Docket No. 28300 100-mile blocks (1)	X-299-A level			X-303-A level			X-305-A level			X-310-A level		
	A SFA	B official (2)	C between	A SFA	B official (3)	C between	A SFA	B official (4)	C between	A SFA	B official (5)	C between
100	.37	.38	.37	.38	.40	.38	.43	.45	.43	.43	.48	.46
200	.49	.49	.49	.51	.51	.51	.58	.58	.58	.58	.62	.62
300	.63	.64	.63	.66	.67	.66	.75	.76	.75	.75	.81	.80
400	.77	.78	.77	.80	.81	.80	.91	.92	.91	.91	.98	.97
500	.86	.86	.86	.89	.89	.89	1.01	1.01	1.01	1.01	1.08	1.08
600	.97	.99	.97	1.01	1.03	1.01	1.14	1.17	1.14	1.14	1.25	1.22
700	1.05	1.07	1.05	1.09	1.11	1.09	1.24	1.27	1.24	1.24	1.36	1.33
800	1.15	1.18	1.16	1.20	1.23	1.21	1.36	1.40	1.38	1.36	1.50	1.48
900	1.20	1.26	1.22	1.25	1.31	1.27	1.42	1.49	1.44	1.42	1.59	1.54
1,000	1.31	1.34	1.32	1.36	1.39	1.37	1.54	1.58	1.56	1.54	1.69	1.67

History of APPA long-haul scales of rates, applicable on pulpboard, not corrugated, STCC 26-311-16, X-267-B through X-310-A, general increase level, at minimum weight of 36,000 pounds—Continued

(RATES SHOWN IN CENTS PER 100 POUNDS)

Docket No. 28300 100-mile blocks (1)	X-299-A level			X-303-A level			X-305-A level			X-310-A level		
	A SFA	B official (2)	C between	A SFA	B official (3)	C between	A SFA	B official (4)	C between	A SFA	B official (5)	C between
1,100	1.38	1.42	1.39	1.44	1.48	1.45	1.64	1.68	1.65	1.64	1.80	1.77
1,200	1.45	1.48	1.46	1.51	1.54	1.52	1.72	1.75	1.73	1.72	1.87	1.85
1,300	1.47	1.50	1.48	1.53	1.56	1.54	1.74	1.77	1.75	1.74	1.89	1.87
1,400	1.55	1.60	1.56	1.61	1.66	1.62	1.83	1.88	1.84	1.83	2.01	1.97
1,500	1.62	1.68	1.66	1.68	1.75	1.73	1.91	1.99	1.97	1.91	2.13	2.11
1,600		1.73	1.70		1.80	1.77		2.05	2.01		2.19	2.15
1,700		1.78	1.75		1.85	1.82		2.10	2.07		2.25	2.21
1,800		1.82	1.79		1.89	1.86		2.15	2.11		2.30	2.26
1,900		1.96	1.92		2.04	2.00		2.32	2.28		2.48	2.44
2,000		2.07	2.04		2.15	2.12		2.44	2.41		2.61	2.58

Explanation of columns

(1) One hundred mile increments to 2,000 miles, or last mileage block, if less than 2,000. Published scales vary from 1,500 to 3,000 miles in length.

(2) Column (5) of page 1 rates increased by 2.8 percent as provided within Ex Parte Tariff 299-A, which became effective on April 20, 1974.

(3) Column (2) rates increased by 4.0 percent as provided within Ex Parte Tariff 303-A, effective March 9, 1974.

(4) Column (3) rates increased by 3.3 percent (fuel cost surcharge) and then 10.0 percent, as provided within Ex Parte Tariff 305-A, effective June 20, 1974.

(5) Column (4)B and C increased by 7.0 percent as provided within Ex Parte Tariff 310-A, effective April 27, 1975. Increase does not apply to pulpboard moving within SFA territory (effective May 30, 1975), therefore, column (4)A brought forward unchanged.

Witness Kreckman states that the destination level theory of ratemaking is germane to an understanding of Ex Parte No. 267. He states that in the past, when rates in the three major ratemaking territories were on separate rate levels and were lower mile for mile in the East than in the South, the paper industry, the railroads, and the Commission confronted the question of producing interterritorial rate levels which would to some extent compose the differences applying within the respective ratemaking territories. In *Paper in Official-Illinois Territories to South*, 234 I.C.C. 81 (1939); 238 I.C.C. 104 (1940), southern paper shippers contended that rates from the high-rated South to the low-rated North should be on the destination level, distance considered. This would also have meant that northern shippers shipping to the South would have come into the South at the higher rated intrasouthern level. The Commission, however, came up with rates in both directions which were a compromise between the two. The outcome of Ex Parte No. 267 was to establish interterritorial rates from South to North which were lower, distance considered, than the intranorthern rates.

Subsequent to Ex Parte No. 267, witness Kreckman states that when the southwestern lines sought to establish rates for the southwestern paper manufacturers into the Southeast at the measure of the intrasouthern increase, the SFA railroads, with the active backing of the southern paper industry, took the position that they would not concur in the establishment of rates from Southwest to Southeast at the southeastern level without, as a *quid pro quo*, the establishment of rates from southeast to southwest at the same southeastern level. The southwestern lines joined in the establishment of rates at the rolled-back level in both directions between Southwest and Southeast, and then in order to protect the interest of southwestern producers in southwestern markets, also rolled back the increase for intrasouthwestern application.

One other instance of the application of the destination level theory, according to the witness, was at the time of the institution of the APPA long-haul scale. In discussions at meetings of the Official Territory Paper Traffic Conference, it was reported that the southwestern lines originally were not willing to put in the APPA long-haul scale, preferring to stay with the scales and groupings established by the Commission in I. & S. No. 5392, *supra*. The eastern paper industry and the eastern railroads agreed to the position that if the southwestern lines wished to obtain the concurrence of the official territory railroads, in paper rates from southwestern territory at the APPA long-haul scale, the southwestern lines would at least have to agree to accept the intra-southwestern measures of increases authorized in Ex Parte Nos. 162, 166, and 168, for interterritorial application from origins in the East, in lieu of the higher interterritorial increases. From the East to Southwest this meant substituting increases of 20 percent-20 percent-8 percent for interterritorial increases of 22 1/2 percent-25 percent-9 percent. The witness believes that rates from the Southeast and from WTL were similarly placed on the destination level when shipping to the Southwest at this same time.

The witness reiterates that the industry wishes to ship its products across interterritorial borders, in interterritorial traffic, in competition with other paper producers who reach the same markets by shipping at intraterritorial rates, and to which the intraterritorial rate adjustment is vital. The witness states that the railroads for their part, have recognized the need on the part of the paper industry for the same opportunities in the market place by acting to protect the competitive position of paper producers located on their lines; this action of the railroads' part has been in the nature of opening up long-haul interterritorial markets, rather than through the creation of a protective "fence" around a given area, which "fence" conceivably could benefit the intraterritorial shipper.

The southern lines point out that in 1971 certain individual southern rail carriers made a study of the utilization of equipment in connecting with movement of pulpboard from southern producing points to various destinations. The study revealed that in some instances pulpboard shippers were not realizing the full benefit of the open-end incentive rates because of their inability to double-tier shipments due to the size of rolls and limited car height. For this reason, shippers appealed to rail carriers to place in service so-called hi-roof boxcars.

As a result of individual rail lines study, it was concluded that purchase of this type car was economically feasible with the necessary rate application. The existing incentive rates on pulpwood were subject to a car height restriction of 11 feet 3 inches and 11 feet 6 inches dependent on length of the car. As the hi-roof cars exceeded this height, on movements in these boxcars, it would be necessary to amend the commodity description in order that incentive rates could be applied in this type equipment. The design of the hi-roof cars exceed plate C clearance, making it necessary for rail carriers to obtain authority to handle cars in interchange service with other railroads.

Certain railroads released a joint proposal in April 1971 suggesting a guideline scale of rates for handling pulpboard in hi-roof boxcars. The following table shows representative proposed guideline scale of rates compared to existing rates.

TABLE 28

Pulpboard or fiberboard, carload rates in cents per 100 pounds, subject to X-267-A between points in southern territory

Docket No. 28300 miles	Existing rates 100M/120M	Excess	(1) Proposed guideline scale rates	(2)
			100M/120M	Excess
100	21	16	21	18 1/2
200	31	21	31	26
300	37	27	37	32
400	45	33	45	39
500	52	37	52	44 1/2
600	56	40	56	48
700	63	45	63	54
800	69	50	69	59 1/2
900	73	52	73	62 1/2
1,000	77	55	77	66

(1)Rate applicable on the first (a) 100,000 or (b) 120,000 pounds. For weight in excess of (a) 100,000 or (b) 120,000 pounds see (2) below.

(2)Rate applicable on weight in excess of (a) 100,000 or (b) 120,000 pounds, loaded in the same car.

(a) Applicable only in cars not exceeding 53 feet in length and exceeding 11 feet 3 inches in height (inside measurement). Minimum weight 100,000 pounds.

(b) Applicable only in cars exceeding 53 feet in length but not exceeding 61 feet in length. Minimum weight 120,000 pounds.

The proposed rates were intended to be used as a guideline scale for the establishment of specific rates. This would enable carriers to control the movement of the cars and permit loading only between points that did not present clearance difficulties.

The proposed rates at weight of 100,000 pounds for 50-foot boxcars and 120,000 pounds for 60-foot boxcars were the same as those existing for ordinary equipment, but the excess rates were determined by taking one-half of the difference between the existing 100,000-120,000-pound rates and the existing excess rates. This difference was subtracted from the (then) present 100,000-120,000-

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pound rates and the resulting rate would apply as an excess rate on weights in excess of 100,000-120,000 pounds loaded in 50- or 60-foot hi-roof boxcars respectively.

It is stated that car height restrictions were purposely included in the prior adjustments to prevent carriers from being placed in the position of supplying hi-roof cars they did not have. To approve the proposed guideline scale would place the carriers in the exact position they were trying to avoid when the height restrictions were approved. If the guideline scale were approved for general application, it would require the carriers to go the added expense of modifying smaller cars to increase the roof height or else acquire new equipment.

The proposal was disapproved, and subsequently, individual rail carriers announced rates from and to specific points reflecting the guideline basis on shipments moving in cars exceeding 53 feet in length but not exceeding 61 feet in length. These rates became effective October 8, 1971. Later on, these rates were amended to provide a minimum weight of 130,000 pounds in lieu of 120,000 pounds on pulpboard moving in cars exceeding 53 feet in length. Rates were also established on interterritorial traffic reflecting this basis; however, generally, a minimum weight of 140,000 pounds is observed on shipments moving in cars over 53 feet in length when moving interterritorially.

Southern points out that since the establishment of the first rates in connection with hi-roof boxcars, there have been many additional rates established reflecting this scale, but emphasizes that some southern carriers do not have this type of equipment.

The next general increase was Ex Parte No. 281 (decided in 1972). In this proceeding the Commission granted final increases of 3 percent nationwide. Witness Kreckman avers that as successive general increases are applied to rates which have a disparity in them, such as the intraeastern paper rates at the Ex Parte No. 267 level, when compared to the paper rates applying in the rest of the country at the same Ex Parte No. 267 level, the net effect is to widen the spread in terms of cents per hundred pounds.

It is stated that a spread of 1 cent per 100 pounds, between the intraeastern rate applying to the general paper list at 200 miles, 50 cents, and the 49-cent rate, applying to the same type of description, for the same ratemaking mileage and minimum weight for interterritorial application between South and East (at the Ex Parte No. 267 rolled-back level, shown in table 14) increased to a 2-cent spread of

52 cents versus 50 cents after the Ex Parte No. 281 general increases. It then became a 3-cent spread after the Ex Parte No. 299 increase (56 cents versus 53 cents) and a 4-cent spread after the Ex Parte No. 310 increase, when the respective rates for the distances were 71 cents and 67 cents. The underlying data supporting such comparisons are shown in table 27 for printing-wrapping paper, and table 28 for pulpboard.

Ex Parte No. 295 consisted of a 3-percent increase applicable uniformly throughout the United States; Ex Parte No. 299 went through several interim stages, ultimately reaching 2.8 percent, applied uniformly nationwide. The Ex Parte No. 301 increase is pointed out as a fuel cost surcharge that, after several interim stages, became incorporated in the rates themselves. Witness Kreckman states that the Ex Parte No. 303 4-percent increase was applied uniformly nationwide, as were the next two increases of 10 percent and 7 percent in Ex Parte Nos. 305 and 310 respectively. The southern lines testimony shows that in February 1973 southern rail carriers released a proposal (SFA Submittal 36208) suggesting reduced rates on groundwood paper for application within southern territory subject to the following minimum weights:

(1) When loaded in closed cars not exceeding 53 feet in length nor 11 feet 3 inches in height (inside measurement), and having capacity not exceeding 5,664 cubic feet, minimum weight 130,000 pounds.

(2) When loaded in closed cars exceeding 53 feet in length (inside measurements), but not exceeding 61 feet in length, nor 11 feet 6 inches in height (inside measurements), and having capacity exceeding 5,300 cubic feet, but not exceeding 6,600 cubic feet, minimum weight 140,000 pounds.

Proposed rates reflected the existing 90,000-pound minimum rates on the first 100,000 pounds and rates made 70 percent of the 90,000-pound rates to apply on tonnage loaded in car in excess of 100,000 pounds, at the Ex Parte No. 267-B level. The proposed rates were subject to 24-hour loading and unloading provisions and an expiration date of 1 year.

The justification for the reduced rates was based on truck and barge competition. The rail carriers' investigation revealed that rail participation in tonnage from the largest producing point in the South had declined to the extent that trucks (and barges to some degree) were handling the preponderance of the business. Extensive negotiations with the shipper confirmed that the proposed rates would be adequate to divert substantial amounts of this tonnage to rail handling.

Some representative rates at the Ex Parte No. 281-B level are shown in the following table:

TABLE 29

Rates on groundwood paper between points in southern territory at the X-281-B level

Docket No. 28300 miles	Proposed rates (see note)	
	Column A	Column B
100	25	18
200	35	25
300	43	30
400	54	37
500	59	41
600	66	46
700	73	52
800	79	56
900	83	59
1,000	91	64

Note:

(1) When loaded in closed cars not exceeding 53 feet in length nor 11 feet 3 inches in height (inside measurement), and having capacity not exceeding 5,664 cubic feet, minimum weight 130,000 pounds—Apply rates as follows:

On first 100,000 pounds—apply column A rates. On weight in excess of 100,000 pounds in same car—apply column B rates.

(2) When loaded in closed cars exceeding 53 feet in length (inside measurement), but not exceeding 61 feet in length, nor 11 feet 6 inches in height (inside measurement), and having capacity exceeding 5,300 cubic feet, but not exceeding 6,600 cubic feet, minimum weight 140,000 pounds—apply rates as follows:

On first 120,000 pounds—apply column A rates. On weight in excess of 120,000 pounds in same car—apply column B rates.

These rates were effective August 16, 1973.

The next break in the pattern of uniform percentage increases came in Ex Parte No. 313. This increase of 5 percent did not apply to rates on pulpboard and the general printing-wrapping paper list within the South or interterritorially between the South on the one hand, and the rest of the country on the other hand. The increase did apply intraterritorially in the East, interterritorially in the West, and interterritorially between the East and West.

After the Ex Parte No. 310 increase had become effective, witness Kreckman states that the Southern railroads took cognizance of the extent of diversion of traffic away from rail to barge and motor transportation and removed the application of the authorized increase from their carload rates on pulpboard, not corrugated. It is stated that this rollback was limited by the Southern lines to their intrasouthern rates, although they held themselves out to join in a rollback as to interterritorial rates with any railroad which would concur with them.

Witness Kreckman's table 30 is a comparison of intrasouthern rates on pulpboard at the Ex Parte No. 305 level, the effective level since the Ex Parte No. 310 increase was rescinded and the Ex Parte No. 313 increase did not apply within the South. Column 3 shows the intraterritorial rate levels applying within the East, and column 4 the intraterritorial levels applying within WTL and Southwestern Freight Bureau territories. As the table shows, intrasouthern rates are lower.

TABLE 30

A comparison of the intra-SFA carload level of rates on pulpboard at Ex Parte No. 305 level, to the carload rates currently applicable intraofficial and intra-WTL territories at Ex Parte No. 313 level

(RATES SHOWN IN CENTS PER 100 POUNDS)

Docket No. 28300 100-mile increase (1)	Intra-SFA X-305 level (2)				Intraofficial X-313 level (3)				Intra-WTL-SWL X-313 level (4)			
	70M	90M	100M	Excess	70M	90M	100M	Excess	70M	90M	100M	Excess
100	.35	.31	.30	.24	.39	.36	.35	.27	.39*	.35	.34	.27
200	.47	.42	.42	.30	.54	.47	.47	.35	.53	.47	.47	.34
300	.55	.50	.50	.37	.64	.60	.58	.42	.64	.58	.57	.42
400	.70	.63	.61	.45	.85	.77	.75	.51	.84	.76	.70	.50
500	.81	.72	.72	.50	.95	.84	.84	.58	.93	.82	.82	.57
600	.89	.78	.77	.54	1.03	.91	.90	.63	1.02	.89	.87	.62
700	.97	.87	.87	.61	1.12	1.00	1.00	.75	1.10	.99	.99	.70
800	1.11	.95	.94	.69	1.27	1.10	1.09	.80	1.26	1.08	1.07	.79
900	1.17	.98	.98	.72	1.34	1.13	1.13	.84	1.32	1.11	1.11	.82
1,000	1.23	1.06	1.06	.76	1.43	1.24	1.24	.87	1.40	1.20	1.20	.86
1,100	1.29	1.14	1.16	.79	1.48	1.33	1.33	.93	1.46	1.31	1.31	.91
1,200	1.35	1.20	1.19	.84	1.58	1.40	1.39	.99	1.55	1.38	1.34	.98
1,300	1.38	1.22	1.20	.87	1.61	1.41	1.40	1.00	1.59	1.39	1.38	.99
1,400	1.46	1.28	1.28	.91	1.73	1.48	1.47	1.06	1.71	1.46	1.45	1.03
1,500	1.54	1.34	1.34	.94	1.80	1.56	1.56	1.09	1.76	1.53	1.53	1.07
1,600	----------	----------	----------	----------	1.86	1.61	1.59	1.11	1.82	1.59	1.56	1.09
1,700	----------	----------	----------	----------	1.90	1.67	1.67	1.14	1.87	1.62	----------	----------
1,800	----------	----------	----------	----------	1.95	1.72	1.72	1.19	1.93	1.67	----------	----------
1,900	----------	----------	----------	----------	2.10	1.88	1.86	1.31	----------	----------	----------	----------
2,000	----------	----------	----------	----------	2.24	1.94	1.94	1.38	----------	----------	----------	----------

Explanation of columns

(1) One hundred-mile increments to 2,000 miles, or last mileage block if less than 2,000. Published scales varied 1,500 to 3,000 miles in length.

(2) SFTB 867-F, items 59508.10 and 59508.20.

(3) TL/CTRTB 703, item 5025.

(4) WTL 169, item 5545, WTL 2000, item 4250, SWL 306, item 4610.

* SWL rate at minimum weight of 70M, 100-mile block, is 37 cents, in lieu of 39 cents. SWL scale extends to 2,000 miles.

The witness states that as of September 1975 there were several rollbacks underway in other ratemaking territories. It is his opinion that the railroads operating in the Southwest and in WTL recognize that pulpboard shippers in these territories are faced with a rate problem and that the railroads are trying to take some action to ameliorate that problem.

Along this line, the southern lines have testified that the carriers in the South had concluded from their analysis that reduced rates, coupled with open-end incentive rates on the 90,000-pound scale, would be necessary in order to prevent possible diversions to other forms of carriage, mainly to motor common carriers. First, the rate of progression of the (then) existing scales in the lower mileage blocks, where truck competition is the most intensive, needed adjustment to make certain the rail service would continue to be competitively priced. Secondly, it was concluded that open-end incentive rates at the 90,000-pound minimum level would encourage heavier loading, increase per-car revenues, afford better utilization of equipment, and help assure the rails' competitive position.

Reduced rates were suggested and approved for application within and from SFA territory, at 50,000, 70,000, and 90,000 pounds minima, and also on excess tonnage loaded in same car in connection with the 90,000-pound rates, on the following commodities:

Paper, wrapping, n.o.i.b.n., printed or imprinted or not printed or imprinted, in packages, carload

Paper, printing, other than newsprint or carbonized print, not printed, or imprinted, in packages, carload

Paper, writing

Sealing tape

Paper, cover, not printed or imprinted, in packages, carload

Bags, paper, n.o.i.b.n., printed or not printed, in packages, carload

Dishes, plates, or trays, pulpboard or woodpulp, flat or folded flat, other than corrugated

Representative rates are shown in the table below:

TABLE 31

Comparison of existing and approved rates on heavy papers between points in southern territory

(RATES IN CENTS PER 100 POUNDS, X-310-A LEVEL)

Docket No. 28300 miles	50,000 pounds		70,000 pounds		90,000 pounds		Excess approved
	Existing	Approved (1)	Existing	Approved (2)	Existing	Approved (3)	
100	44	32	40	30	34	27	24
200	59	47	54	43	46	39	35
300	77	61	65	56	58	51	46
400	90	76	81	69	73	63	57
500	104	90	90	83	80	75	68
600	114	104	101	96	89	87	78
700	127	116	108	107	97	97	87
800	138	126	125	116	105	105	95
900	146	136	131	124	109	113	102
1,000	154	146	138	134	122	122	110

These approved rates reflected the following basis:

[1] The approved 90,000-pound rates for the first 100 miles reflect a progression of 7 cents while rates for 100 to 600 miles reflect 12-cent progression and from 600 to 700 miles the rates reflect a progression of 10 cents. For distances beyond 700 miles to 1,500 miles, the same rates reflect the present 90,000-pound rates applicable within SFA territory, except slight changes were made from 825 miles to 900 miles for a more orderly progression. For distances of 1,501 miles to 2,500 miles the approved 90,000-pound rates reflect the 90,000-pound rates in item 2045 series, Supplement 65 to SWL Tariff 281-I. All rates at the X-301-A level.

[2] The approved excess rates are made 90 percent of the approved 90,000-pound rates.

[3] The approved 70,000-pound rates reflect 110 percent of the approved 90,000-pound rates.

[4] The approved 50,000-pound rates reflect 120 percent of the approved 90,000-pound rates.

Witness Kreckman's table 32 was prepared because of the significance of the carload rates carrying high minimum weights. The table shows the intraterritorial rates which apply to printing and wrapping paper within the four major components of docket No. 28300 territory; intra-South, intra-East, intra-WTL, and intra-SWFB. The rates shown are at the Ex Parte No. 310 level.

TABLE 32

Comparison of carload rail distance scales of rates on printing and wrapping paper, Ex Parte No. 310-A level, official, SFA, SWL and WTL (zone 1) territories minimum weights of 70,000, 90,000, 100,000 pounds

(RATES SHOWN IN CENTS PER 100 POUNDS)

Docket No. 28300 100-mile increase	Minimum weight 70M				Minimum weight 90M				Minimum weight 100M				Rate for weight in excess over 100M			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
100	.40	.40	.40	.40	------	.34	.34	.34	.35	------	------	------	.28	------	------	------
200	.55	.54	.55	.55	------	.46	.46	.46	.49	------	------	------	.35	------	------	------
300	.67	.65	.67	.67	------	.57	.59	.59	.62	------	------	------	.45	------	------	------
400	.82	.81	.82	.82	------	.73	.74	.74	.77	------	------	------	.51	------	------	------
500	.93	.90	.93	.93	------	.80	.81	.81	.83	------	------	------	.59	------	------	------
600	1.02	1.01	1.02	1.02	------	.89	.90	.90	.95	------	------	------	.67	------	------	------
700	1.09	1.08	1.09	1.09	------	.97	.98	.98	1.03	------	------	------	.75	------	------	------
800	1.26	1.25	1.26	1.25	------	1.05	1.06	1.05	1.13	------	------	------	.81	------	------	------
900	1.32	1.31	1.32	1.32	------	1.09	1.13	1.13	1.22	------	------	------	.87	------	------	------
1,000	1.39	1.38	1.39	1.39	------	1.22	1.25	1.25	1.31	------	------	------	.93	------	------	------
1,100	1.48	1.44	1.48	1.48	------	1.27	1.28	1.28	1.36	------	------	------	.95	------	------	------
1,200	1.54	1.51	1.54	1.54	------	1.33	1.36	1.36	1.40	------	------	------	1.01	------	------	------
1,300	1.64	1.59	1.64	1.64	------	1.39	1.40	1.39	1.49	------	------	------	1.04	------	------	------
1,400	1.68	1.65	1.68	1.68	------	1.43	1.46	1.46	1.52	------	------	------	1.05	------	------	------
1,500	1.75	1.72	1.75	1.75	------	1.48	1.51	1.51	1.63	------	------	------	1.09	------	------	------
1,600	--------	--------	1.81	1.81	------	--------	1.59	1.59	--------	------	------	------	--------	------	------	------
1,700	--------	--------	1.87	1.87	------	--------	1.65	1.65	--------	------	------	------	--------	------	------	------
1,800	--------	--------	1.93	1.93	------	--------	1.71	1.71	--------	------	------	------	--------	------	------	------
1,900	--------	--------	2.11	--------	------	--------	1.81	--------	--------	------	------	------	--------	------	------	------
2,000	--------	--------	2.18	--------	------	--------	1.90	--------	--------	------	------	------	--------	------	------	------
2,500	--------	--------	2.82	--------	------	--------	2.48	--------	--------	------	------	------	--------	------	------	------

Explanation of columns

[1] Within official territory. Authority SFA 867, items 59511.05 and 59511.10.

[2] Within SFA territory. Authority 70M-SFA 867, item 59507.05. 90M-SFA 867, item 59507.10.

[3] Within SWL territory. Authority SWL 306-4610-D, column A.

[4] Within WTL territory. Authority WTL 169-5545, column A.

It is pointed out that not all the descriptions of paper articles that are in the general paper list at the 36,000-pound rate level are included in the more limited commodity descriptions applicable to some of these higher minimum weights, since their density is such that they could not be loaded to 90,000 or 100,000 pounds in a straight carload, although loadings of mixed carloads could produce different results.

Table 33 is the same comparison, as to pulpboard, that table 32 is to printing-wrapping paper.

TABLE 33

Comparison of carload rail distance scales of rates on pulpboard, STCC 26-311-16, Ex Parte No. 310-A level, official, SFA, SWL, WTL (zone 1) territories minimum weight of 70,000, 90,000, 100,000 pounds

(RATES SHOWN IN CENTS PER 100 POUNDS)

Docket No. 28300 100-mile increase	Minimum weight 70M				Minimum weight 90M				Minimum weight 100M				Rate for weight in excess over 100M			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
100	.37	.35	.35	.37	.34	.31	.33	.33	.33	.30	.32	------	.26	.24	.26	------
200	.51	.47	.50	.50	.45	.42	.45	.45	.45	.42	.45	------	.33	.30	.32	------
300	.61	.55	.61	.61	.57	.50	.55	.55	.55	.50	.54	------	.40	.37	.40	------
400	.81	.70	.80	.80	.73	.63	.72	.72	.71	.61	.67	------	.49	.45	.48	------
500	.90	.81	.89	.89	.80	.72	.78	.78	.80	.72	.78	------	.55	.50	.54	------
600	.98	.89	.97	.97	.87	.78	.85	.85	.86	.77	.83	------	.60	.54	.59	------
700	1.07	.97	1.05	1.05	.95	.87	.94	.94	.95	.87	.94	------	.71	.61	.67	------
800	1.21	1.11	1.20	1.20	1.05	.95	1.03	1.03	1.04	.94	1.02	------	.77	.69	.75	------
900	1.28	1.17	1.26	1.26	1.08	.98	1.06	1.06	1.08	.98	1.06	------	.80	.72	.78	------
1,000	1.36	1.23	1.33	1.33	1.18	1.06	1.14	1.14	1.18	1.06	1.14	------	.83	.76	.82	------
1,100	1.41	1.29	1.39	1.39	1.27	1.16	1.25	1.25	1.27	1.16	1.25	------	.89	.79	.87	------
1,200	1.50	1.35	1.48	1.48	1.33	1.20	1.31	1.31	1.32	1.19	1.28	------	.94	.84	.93	------
1,300	1.53	1.38	1.51	1.51	1.34	1.22	1.32	1.32	1.33	1.20	1.31	------	.95	.87	.94	------
1,400	1.65	1.46	1.63	1.63	1.41	1.28	1.39	1.39	1.40	1.28	1.38	------	1.01	.91	.98	------
1,500	1.71	1.54	1.68	1.68	1.49	1.34	1.46	1.46	1.49	1.34	1.46	------	1.04	.94	1.02	------
1,600	1.77	--------	1.73	1.73	1.53	--------	1.51	1.51	1.51	------	1.49	------	1.06	------	1.04	------
1,700	1.81	--------	1.78	1.78	1.59	--------	1.54	1.54	1.59	------	1.54	------	1.09	------	1.08	------
1,800	1.86	--------	1.84	1.84	1.64	--------	1.59	1.59	1.64	------	1.59	------	1.13	------	1.09	------
1,900	2.00	--------	1.96	--------	1.79	--------	1.75	--------	1.77	------	1.73	------	1.25	------	1.22	------
2,000	2.13	--------	2.11	--------	1.85	--------	1.81	--------	1.85	------	1.81	------	1.31	------	1.27	------
2,500 SWL	--------	--------	2.70	--------	------	--------	2.34	--------	--------	------	2.34	------	--------	------	1.67	------
2,700	2.99	--------	--------	--------	2.61	--------	--------	--------	2.60	------	------	------	1.85	------	------	------

Explanation of columns

[1] Within official territory. Authority: TL 703, item 5025 (610).
[2] Within SFA territory. Authority: SFA 867, item 59508.10 and 59508.20.
[3] Within SWL territory. Authority: SWL 306-4610-D.
[4] Within WTL territory.

Witness Kreckman also submitted testimony on Ex Parte No. 313. He states that the amount of increase which became applicable as the result of Ex Parte No. 313 to the finished products of the paper industry was 5 percent, subject to the important exception that no increase applied to the rates on the general printing-wrapping paper list, or on pulpboard, within SFA territory, or between SFA territory, on the one hand, and the rest of the country, on the other hand.

To show the rate situation which resulted from the dissimilar rate treatment of the general paper list in Ex Parte No. 313, witness Kreckman prepared table 34. This table compares intrasouthern rates minimum 36,000 pounds, applicable to the general paper list, with intraeastern rates, intrasouthwestern rates and intra-WTL rates. Again, the intrasouthern rates are the lowest. Also shown are the interterritorial rates which apply from the South to the East, to the Southwest, and to WTL, to illustrate the allegedly better position of the southern shipper when shipping to these destination territories than that of the intraterritorial shipper. It is stated that the interterritorial shipper usually ships a greater distance to reach a market than the intraterritorial shipper, so that the interterritorial shipper could be expected to pay a higher freight rate to reach a common market than the intraterritorial shipper who has the advantage of a lower distance.

TABLE 34

A comparison of existing carload rail rates on printing, wrapping and paper bags, minimum weight 36,000 pounds at Ex Parte No. 313 increase level

(RATES SHOWN IN CENTS PER 100 POUNDS)

(1)	(2) Intraterritorial rates				(3) Interterritorial rates		
Docket No. 28300 100 mile block	A SFA	B East	C SWL	D WTL	A SFA to East	B SFA to SWL	C SFA to WTL
100	.48	.51	.50	.50	.48	.48	.48
200	.67	.75	.70	.70	.67	.67	.67
300	.83	.90	.87	.87	.83	.83	.83
400	1.01	1.08	1.06	1.06	1.01	1.01	1.01
500	1.14	1.24	1.20	1.20	1.14	1.14	1.14
600	1.27	1.39	1.34	1.34	1.28	1.28	1.28
700	1.39	1.20	1.46	1.46	1.39	1.39	1.39
800	1.52	1.67	1.62	1.60	1.54	1.54	1.54
900	1.64	1.76	1.73	1.73	1.65	1.65	1.65
1,000	1.73	1.88	1.84	1.84	1.75	1.75	1.75
1,100	1.81	1.95	1.93	1.93	1.84	1.84	1.84
1,200	1.89	2.03	2.00	2.00	1.90	1.90	1.90
1,300	1.98	2.14	2.10	2.08	2.00	2.00	2.00
1,400	2.04	2.24	2.22	2.22	2.11	2.11	2.11
1,500	2.15	2.31	2.27	2.27	2.16	2.16	2.16
1,600	-------	2.39	2.36	2.36	2.25	2.25	2.25
1,700	-------	2.50	2.45	2.45	2.33	2.33	2.33
1,800	-------	2.56	2.52	2.52	2.40	2.40	2.40
1,900	-------	2.74	2.58	-------	2.58	2.58	2.58
2,000	-------	2.92	2.72	-------	2.72	2.72	2.72
2,500	-------	3.78	3.53	-------	3.53	3.53	3.53
2,700	-------	4.08	-------	-------	-------	4.03	-------

Tariff authority:

Column (2) A Items 59507.05, SFTB 867-F
B Section 3, TL/CTR 703-B
C Item 4610, SWL 306-C
D Item 8190, WTL 169-Q

Column (3) A Item 59511.05, SFTB 867-F
B Item 2045, SWL 281-I
C Item 59517.05, SFTB 867-F

It is contended that many paper companies, in their effort to hold their transportation expense to the lowest possible cost, have turned increasingly to motor carriage, both for-hire and private. It is alleged that in the face of loss of substantial volume of paper traffic to the motor carriers, coupled with an escalating trend of such diversion, the southern lines docketed Emergency Proposal 3729, and in July 1975 approved a comprehensive revision of the rate level applicable to a limited number of papers and paper articles. The southern railroads chose to limit their reduced scale of rates to those which were accorded a level of rates at minimum weight of 90,000 pounds within the South, specifically, printing paper, wrapping paper, groundwood paper, writing paper, cover paper and paper bags, plus sealing tape. Since the rate adjustment under Emergency Proposal 3729 is primarily a truck competitive adjustment, the largest reduction in freight rates came in mileages under 500, where truck competition is supposedly the greatest. Thus, it is pointed out, the resulting rates do not bear any strict percentage relationship to rates at some earlier level; they are not, for example, rates at the Ex Parte No. 267 level plus some additional percentage.

The net effect of this action by the southern railroads was to establish reduced scales of rates at mininum weights of 50,000, 70,000, and 90,000 pounds, and for the first time to provide for an open-end excess rate to apply on these commodities for weight in excess of 90,000 pounds loaded into a 50-foot boxcar. The carriers postponed taking any action as to rates at minimum weight of 36,000 pounds. They also eliminated groundwood papers from the list of commodities on which the proposed rates would apply, reportedly in order to work out a separate groundwood paper rate adjustment with respect to this commodity.

Witness Kreckman points out that one could not go back to June 30, 1946, the last date that rates were at the Ex Parte No. 123 level, and apply all the successive percentage increases that the Commission has authorized since that date and arrive at today's level of rates. Neither could one go back to June 1, 1955, when the APPA long-haul scale became effective, and apply successive general increases as they apply to commodities generally, to the rates then in effect and arrive at today's current rates. The holddowns and rollbacks account for the fact that paper rates have not increased to the same extent as rates on commodities generally.

In the witness' opinion, these holddowns, rollbacks, and adjustments tied to higher minimum weights can be described as the joint efforts of the railroad industry and the paper industry to make the freight rate structure on paper and paper articles as responsive as possible to the actual needs of the paper shipping industry, while maximizing the return to the railroads that perform the transportation service.

The witness urges caution with regard to published statistics, insofar as they apply to the paper industry. He states that examination of average freight rates applying to particular paper commodity descriptions over a period of time will show that the increase has not kept pace with the general rate of increase in freight rates, and that this is accounted for by two separate factors. One factor would be varying lengths of haul which would affect the average freight rate, since freight rates increase with distance. In this regard, he states there are two exactly opposite trends: the trend to decentralization of industry and the establishment of multiplant companies serving a limited radius, which trend has the effect of reducing the long hauls, and the trend toward diversion of traffic from rail to truck, which is more pronounced as to short-haul traffic than long-haul traffic. The latter trend somewhat increases the average railroad haul by removing the shorter hauls lost to trucks.

It is argued that another consideration which would cause average freight rates to rise at a lesser rate is that the carload rates on paper have been adjusted to increasing minimum weights, accompanied by lower rates but higher charges per car.

Because of the somewhat different development of the rate structure in the Southwest, testimony regarding this development is provided by API's witness Glenn.

The witness states that the printing paper and wrapping paper rail rates within southwestern territory prior to August 30, 1958, were prescribed by the Commission in I. and S. No. 5392, *supra.* These rates, as previously discussed, became effective on August 24, 1949, and reflected 32-1/2 percent of the eastern docket No. 15879 appendix E scale, subject to 36,000 pounds minimum. These rates also applied inbound to the Southwest from official, southern and WTL territories and produced a uniform level of rates on printing and wrapping paper.

For some time the southwestern railroads were unwilling to publish the so-called APPA long-haul scale of rates, but finally approved the APPA 36,000, 50,000, and 70,000-pound rail rates within the southwest effective August 30, 1958. Publication of these rates resulted in cancellation of I. and S. No. 5392 rates and placed the Southwestern Paper Industry on a competitive mile-for-mile rate relationship with producers shipping into the Southwest from southern, official, and WTL territories.

The APPA reinstituted rate negotiations with the railroads operating east of the Rockies to further modify the scales on paper and paper products. On January 18, 1961, the southern lines published the so-called revised long-haul scale within their territory. These new rates reflected the following:

Minimum	*Revised scale*
36,000	90 percent of original scale
50,000	90 percent of revised 36,000
70,000	80 percent of revised 36,000

The revised 36,000-pound rates resulted in a 10-percent reduction, while the 50,000- and 70,000-pound rates produced a 15-percent reduction. After extended negotiations, the revised APPA scale was published within the Southwest on July 7, 1962.

Because of continuing gains in loading cars of printing and wrapping papers, the industry found that it was possible to obtain loads of 45 tons or more in standard 50-foot boxcars. This indicated a need for an incentive to encourage heavier loadings. Accordingly, negotiations were held with the carriers for a 90,000-pound level of rates resulting in 90,000 pounds which reflected 70 percent of the (then) current 36,000-pound scale. These rates became effective on July 15, 1964.

The rates on printing and wrapping paper within the Southwest were subject to the same increase as other territories in Ex Parte Nos. 256, 259, 262, and 265. However, in tariff X-267-A, effective November 20, 1970, the Southwestern Paper Industry was subjected to an 8-percent increase except to the South, while the Southern Paper Industry's rates went up 6 percent. After considerable negotiations, the increase was rolled back to 6 percent effective April 12, 1971, under tariff X-267-B.

The increases granted from 1972 thru 1975 continued the parity in increases between the Southwest and other territories. Equal treatment under ex parte increases was disrupted in Ex Parte No. 313 effective June 20, 1975. Under this increase the Southwestern Paper Industry was confronted with a 5-percent increase, while the Southern Paper Industry received the benefits of a flag-out by the Southern Carriers.

The printing and wrapping paper rail rates from southwestern territory to the territories east of the Rockies prior to June 1, 1955, reflected differentials over the destination rate levels. These scales produced a rate situation indicated below:

Official 27 1/2 percent of 110 percent of docket No. 15879 appendix E scale (10 percent higher than rates within official).

South—Printing 27 1/2 percent docket No. 13494 K-2 scale.

South—Wrapping 25 percent of docket No. 13494 K-2 scale.

(Rates within South subject to 32 percent increase as compared to 64 percent increase to South, under X-162, X-166, X-168 Increases.)

WTL zone 1 27 1/2 percent of docket No. 15879 scale (higher than M&O scales).

The southwestern carriers took an entirely different approach on interterritorial traffic than they did on movements within their own territory. To protect their paper shippers, they concurred in the APPA long-haul scale. Effective June 1, 1955, 36,000- and 50,000-pound APPA long-haul scale rates were published to official, southern, and WTL zone 1 territories.

The publication of the 70,000-pound scale within southwest effective August 30, 1958, also resulted in these rates being published to other territories.

On November 11, 1958, the APPA scale (36,000, 50,000, and 70,000 pounds) was published to the balance of WTL including the 70,000 scale to zone 1.

The APPA long-haul scale from southwestern papermills was published on various dates. To obtain publication, the southwestern carriers had independently announced the new scale at different dates, effective between August 20, 1961, and September 15, 1962.

The southwestern railroads published the incentive 90,000-pound rates effective July 15, 1964, to all territories except official territory. However, the eastern lines would not concur in the 90,000-pound incentive rates. Finally, a compromise was reached for a level of rates subject to a minimum of 100,000 pounds reflecting 92 percent of the current 70,000-pound rates and rates for the excess weight over 100,000 pounds made 70 percent of the 100,000-pound rates. These rates became effective on April 7, 1969. Treatment with the various general increases to other territories were the same as outlined under rates within the Southwest.

Part I(B)(3): Transcontinental Freight Bureau rates

API's witness Krause points out in his testimony on rates west of the Rocky Mountains and transcontinental rates that every paper category involved in this proceeding is produced by one or more Western Paper Traffic Conference (WPTC) member at either a primary mill location or elsewhere. However, the products manufactured at any one facility are often limited. Taking this fact into consideration along with the available movement information, it was decided that the overall transcontinental rate display as submitted, should be limited to the paper products rate structure from the Pacific Northwest, the principal producing area to prevent a limited rate overview of doubtful value. For example, rail rates between points in Idaho, Montana, Oregon, and Washington are seldom displayed. Based on the movement information supplied and the witness' knowledge and experience, much of this tonnage movement is short-haul and is being transported by competing modes. The rates moving rail traffic between these States are almost always point-to-point commodity rates. With the singular exception of pulpboard from producing points to converting plant locations, these movements are quite limited in number and traffic into Montana is reportedly virtually nonexistant.

Much of the paper traffic moving by rail to transcontinental and west of transcontinental destinations moves under group rate systems; i.e., the grouping of a number of points of origin, or of destination, or both, for the purpose of ratemaking. This means that the rates are the same for the grouped points regardless of distance, although the groups are usually arranged with regard to differences in distance. On transcontinental traffic exceptionally large rail groups are found and several rate groups are frequently blanketed.

Rate groups are in many cases the outgrowth of competitive forces. Thus, it is stated, market competition is responsible for the establishment and continued maintenance of many group rates, the use of which allows rate structures responsive to the needs of commerce as it permits placing all points in a group, whether origin, destination, or both, upon equal footing in the matter of freight rates. Further, it facilitates the establishment and adjustment of freight rates to and from one or more producing and distribution areas which represent natural geographic and/or commercially related groupings. Historically, use of rate group systems has also met the pricing requirements of carriers when meeting competition from other modes. Finally, the witness states that tariff publications are facilitated and section 4 departures are minimized when rates are blanketed.

The accompanying rate tables incorporate the general increases applicable at each time a change is recorded in the basic rate. The rate displays for representative movements west of the Rocky Mountains are reproduced as tables 35 through 39. The extensive tables for the transcontinental rates have been omitted.

TABLE 35

Rates, in cents per 100 pounds, on Newsprint from origins in British Columbia, Oregon and Washington to California groups

FROM	MINIMUM WEIGHT (Pounds) See Below	To Group 15 Points, Viz: Alameda, Oakland, Richmond, Sacramento, San Francisco						To Group 15 Points All other					
		(1) 1-1-66	(2) 12-1-67	(3) 1-1-69	(4) 1-1-72	(5) 6-9-73	(6) 6-16-75	(1) 1-1-66	(2) 12-1-67	(3) 1-1-69	(4) 1-1-72	(5) 6-9-73	(6) 6-16-75
Group 26 (Portland) Group 28A (Longview,WA), Group 28 (Seattle) Port Angeles, Port Townsend, WA	A 55/70/85	76	78	82	103	108	144	76	78	82	103	108	144
	100,000	(E) 60	62	65	82	86	116	—	—	—	—	88	119
Millwood, WA	40,000	92	95	100	125	131	177	92	95	100	125	131	177
	A 55/70/85	76	78	82	103	108	144	76	78	82	103	108	144
	100,000	(E) 68	62	65	82	86	116	—	—	—	—	88	119
Duncan Bay, Port Alberni, Powell River, B.C.	A 55/70/85	76	78	82	103	108	144	76	78	82	103	108	144
	100,000	(E) 68	70	74	93	98	132	—	—	—	—	100	134

FROM	MINIMUM WEIGHT (Pounds) See Below	To Group 17A Points Viz: Los Angeles, Los Angeles Harbor, Long Beach&Points Between						To Group 17A Points All other					
		(1) 1-1-66	(2) 12-1-67	(3) 1-1-69	(4) 1-1-72	(5) 6-9-73	(6) 6-16-75	(1) 1-1-66	(2) 12-1-67	(3) 1-1-69	(4) 1-1-72	(5) 6-9-73	(6) 6-16-75
Group 26 (Portland), Group 27A (Longview,WA), Group 28 (Seattle) Port Angeles, Port Townsend, WA	A 55/70/85	81	84	88	111	117	156	81	84	88	111	117	156
	100,000	(E) 60	62	65	82	86	116	—	—	—	—	96	128
Millwood, WA	40,000	109	112	118	149	156	211	109	112	118	149	156	211
	A 55/70/85	81	84	88	111	117	156	81	84	88	111	117	156
	100,000	(E) 68	62	65	82	86	116	—	—	—	—	96	128
Duncan Bay, Port Alberni, Powell River, B.C.	A 55/70/85	81	84	88	111	117	156	81	84	88	111	117	156
	100,000	(E) 68	70	74	93	98	132	—	—	—	—	108	144

MINIMUM WEIGHTS: (All lengths are inside measure)

A 55/70/85 - 55,000 pounds in cars not over 41 feet 7 inches;
70,000 pounds in cars over 41 feet 7 inches but not over 50 feet 6 inches - Effective 10/29/66 - in cars over 41 feet 7 inches but not over 52 feet 6 inches
85,000 pounds in cars over 60 feet but not over 60 feet 10 inches — in cars over 52 feet 6 inches but not over 60 feet 10 inches

REFERENCE MARK:

E - Temporary barge competitive rates publish effective 7/18/62 and made permanent 7/18/67

Rates, in cents per 100 pounds, on Newsprint from origins in British Columbia, Oregon and Washington to California groups—Continued

AUTHORITIES:

Column	Item Numbers	Tariff No	ICC No.	Remarks
(1)	8873, 8873.1, 8873.3	PSFB 1-S	1352	--
(2)	8873, 8873.1, 8873.3	PSFB 1-S	1352	Rates include increase authorized in Ex Parte No. 256 (2 cents or 3 cents per 100 pounds)
(3)	8873, 8873.1, 8873.3	PSFB 1-S	1352	Rates include increase authorized in Ex Parte No. 259 (5%)
(4)	1500, 1630, 1650, 1730	PSFB 315	1874	Rates include increases authorized in Ex Parte Nos. 262 (6%), 265 (6%) and 267 (12%)
(5)	1500, 1630, 1650, 1730	PSFB 315	1874	Rates include increase authorized in Ex Parte No. 281 (3%). Rates published on 100,000 pounds minimum to non-port destinations in Rate Groups 15, 17-A, et al.
(6)	1500, 1630, 1650, 1730	PSFB 315	1874	Rates include increases authorized in Ex Parte Nos. 295 (3%), 299 (2.8%), 303 (4%), 305 (3.3% plus 10%) and 310 (7%).

EXPLANATION OF ABBREVIATIONS

PSFB - Pacific Southcoast Freight Bureau, Inc., Agent
No. - Number

TABLE 36

SHOWING RATES, IN CENTS PER 100 POUNDS, APPLICABLE ON SHIPMENTS OF WRAPPING PAPER FROM REPRESENTATIVE PRODUCING AREAS IN OREGON AND WASHINGTON TO CALIFORNIA GROUPS

Wrapping paper, Oregon and Washington to California

FROM	MINIMUM WEIGHT (POUNDS)	TO GROUP 15 (SAN FRANCISCO)													
		(1) 1/1/66	(2) 1/1/69	(3) 9/24/69	(4) 6/27/70	(5) 4/3/71	(6) 7/6/71	(7) 1/1/72	(8) 1/15/72	(9) 11/10/72	(10) 1/15/73	(11) 12/21/74	(12) 6/12/75	(13) 6/21/75	(14) 8/2/75
Groups 26, 27 (Portland, Or.) Except as shown below	30,000 S	98	106	106	112	129	133	133	126	130	130	164	(c)	—	—
	40,000 S	80	86	86	91	E 100	E 102	E 102	E 102	105	105	131	140	140	140
	40,000	—	—	—	—	—	—	—	—	101	101	E 118	E 126	136	136
	50,000	—	—	—	87	E 97	E 99	E 99	E 99	—	—	—	—	—	—
	60,000	—	—	—	—	—	—	—	—	94	94	E 116	118	118	118
	70/90	73	—	—	—	—	—	—	—	—	—	—	—	—	—
	70,000	—	79	79	84	96	100	100	94	—	—	—	—	—	—
	70/90/110	B 73	—	—	—	—	—	—	—	—	—	—	—	—	—
	80,000 S	—	—	82	87	99	103	103	95	—	—	—	—	—	—
	80,000	—	—	79	84	96	100	100	94	88	88	111	112	112	112
	100,000	—	—	74	78	90	93	93	88	82	82	101	105	105	105
	140,000	—	—	—	—	—	—	—	—	—	E 74	92	98	98	98
Groups 26, 27 (South of Portland) Albany, Eugene, Lebanon, Millersburg, Springfield, Toledo	30,000 S	98	106	106	112	129	133	133	126	130	130	164	(c)	—	—
	40,000 S	80	86	86	91	E 100	E 102	E 102	E 102	105	105	131	140	140	140
	40,000	—	—	—	—	—	—	—	—	101	101	E 118	E 126	136	136
	50,000	—	—	—	87	E 97	E 99	E 99	E 99	—	—	—	—	—	—
	60,000	—	—	—	—	—	—	—	—	94	94	E 116	118	118	118
	70/90 S	65½	—	—	—	—	—	—	—	—	—	—	—	—	—
	70,000	—	71	71	75	86	90	90	85	88	88	111	(c)	—	—
	70/90/110	B 65½	—	—	—	—	—	—	—	—	—	—	—	—	—
	80,000 S	—	—	82	87	99	103	103	95	—	—	—	—	—	—
	80,000	—	—	79	84	96	100	100	94	88	88	111	112	112	112
	100,000	—	—	74	78	90	93	93	88	82	82	101	105	105	105
	140,000	—	—	—	—	—	—	—	—	—	E 74	92	98	98	98
Group 28 (Seattle, Wa.)	30,000 S	106	114	114	121	138	143	143	136	140	140	175	(c)	—	—
	40,000 S	89	97	97	103	E 110	E 112	E 112	E 112	115	115	143	153	153	153
	40,000	—	—	—	—	—	—	—	—	111	111	E 130	E 139	149	149
	50,000	—	—	—	99	E 107	E 109	E 109	E 109	—	—	—	—	—	—
	60,000	—	—	—	—	—	—	—	—	104	104	E 128	124	124	124
	70/90	80½	—	—	—	—	—	—	—	—	—	—	—	—	—
	70,000	—	88	88	93	99	104	104	99	—	—	—	—	—	—
	70/90/110	B 80½	—	—	—	—	—	—	—	—	—	—	—	—	—
	80,000 S	—	—	91	96	110	114	114	108	—	—	—	—	—	—
	80,000	—	—	89	94	108	112	112	106	97	97	122	118	118	118
	100,000	A 73½	X 79	79	84	96	100	100	94	89	89	112	112	112	112
	140,000	—	—	—	—	—	—	—	—	—	E 80	99	106	106	106

Wrapping paper, Oregon and Washington to California—Continued

FROM	MINIMUM WEIGHT (POUNDS)	TO GROUP 13 (SAN FRANCISCO) (1) 1/1/66	(2) 1/1/69	(3) 9/24/69	(4) 6/27/70	(5) 4/3/71	(6) 7/6/71	(7) 1/1/72	(8) 1/15/72	(9) 11/10/72	(10) 1/15/73	(11) 12/21/74	(12) 6/12/75	(13) 6/21/75	(14) 8/2/75
Group 29A (Everett, Wa.)	30,000 S	107	116	116	123	140	146	146	138	142	142	177	(c)	—	—
	40,000 S	89	97	97	103	E 110	E 112	E 112	E 112	115	115	143	153	153	153
	40,000	—	—	—	—	—	—	—	—	111	111	E 130	E 139	149	149
	50,000	—	—	—	99	E 107	E 109	E 109	E 109	—	—	—	—	—	—
	60,000	—	—	—	—	—	—	—	—	107	107	E 128	E 137	139	139
	70/90	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	70,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	70/90/110	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	80,000 S	—	—	91	96	110	114	114	108	—	—	—	—	—	—
	80,000	—	—	89	94	108	112	112	106	97	97	122	131	131	131
	100,000	—	—	—	86	98	102	102	96	91	91	114	122	122	122
	140,000	—	—	—	—	—	—	—	—	—	E 82	101	108	108	108
Group 29B (Bellingham, Wa.)	30,000 S	107	116	116	123	140	146	146	138	142	142	177	(c)	—	—
	40,000 S	92	100	100	106	121	125	125	119	118	118	147	157	157	157
	40,000	—	—	—	—	—	—	—	—	114	114	E 134	E 143	152	152
	50,000	—	—	—	102	117	121	121	114	—	—	—	—	—	—
	60,000	—	—	—	—	—	—	—	—	107	107	E 131	E 140	143	143
	70/90	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	70,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	70/90/110	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	80,000 S	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	80,000	—	—	—	—	—	—	—	—	101	101	127	136	136	136
	100,000	—	—	—	—	—	—	—	—	95	95	119	127	127	127
	140,000	—	—	—	—	—	—	—	—	—	E 87	110	118	118	118
Port Angeles Wa., Port Townsend, Wa.	30,000 S	109	118	118	125	144	149	149	141	145	145	180	(c)	—	—
	40,000 S	92	100	100	106	E 110	E 112	E 112	E 112	115	115	143	153	153	153
	40,000	—	—	—	—	—	—	—	—	111	111	E 131	E 140	149	149
	50,000	—	—	—	102	E 107	E 109	E 109	E 109	—	—	—	—	—	—
	60,000	—	—	—	—	—	—	—	—	105	105	E 129	E 138	140	131
	70/90	82	—	—	—	—	—	—	—	—	—	—	—	—	—
	70,000	—	89	89	94	108	112	112	106	—	—	—	—	—	—
	70/90/110	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	80,000 S	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	80,000	—	—	—	—	—	—	—	—	99	99	124	133	133	124
	100,000	A 75	X 81	81	86	98	102	102	96	91	91	114	122	122	119
	140,000	—	—	—	—	—	—	—	—	—	E 82	101	108	108	108

Wrapping paper, Oregon and Washington to California—Continued

FROM	MINIMUM WEIGHT (POUNDS)	TO GROUP 13 SAN FRANCISCO													
		(1) 1/1/66	(2) 1/1/69	(3) 9/24/69	(4) 6/27/70	(5) 4/3/71	(6) 7/6/71	(7) 1/1/72	(8) 1/15/72	(9) 11/10/72	(10) 1/15/73	(11) 12/21/74	(12) 6/12/75	(13) 6/21/75	(14) 8/2/75
Millwood, Wa. Velox, Wa.	30,000 S	107	116	116	123	140	146	146	138	142	142	177	(c)	—	—
	40,000 S	92	100	100	106	121	125	125	119	118	118	147	157	157	157
	40,000	—	—	—	—	—	—	—	—	114	114	E 134	E 143	152	152
	50,000	—	—	—	102	117	121	121	114	—	—	—	—	—	—
	60,000	—	—	—	—	—	—	—	—	107	107	E 131	E 140	143	143
	70/90	85	—	—	—	—	—	—	—	—	—	—	—	—	—
	70,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	70/90/110	B 85	92	92	98	112	116	116	110	—	—	—	—	—	—
	80,000 S	—	—	94	100	114	119	119	113	—	—	—	—	—	—
	80,000	—	—	92	98	112	116	116	110	99	99	124	133	136	136
	100,000	A 78	X 84	84	89	102	105	105	100	95	95	119	127	127	127
	140,000	—	—	—	—	—	—	—	—	—	E 87	110	118	118	118

Wrapping paper, Oregon and Washington to California—Continued

FROM	MINIMUM WEIGHT (POUNDS)	TO GROUP 17A LOS ANGELES													
		(1) 1/1/66	(2) 1/1/69	(3) 9/24/69	(4) 6/27/70	(5) 4/3/71	(6) 7/6/71	(7) 1/1/72	(8) 1/15/72	(9) 11/10/72	(10) 1/15/73	(11) 12/21/74	(12) 6/12/75	(13) 6/21/75	(14) 8/2/75
Groups 26, 27 (Portland, Or.) Except as shown below	30,000 S	116	125	125	133	152	158	158	149	153	153	191	(c)	—	—
	36,000 S	111	120	120	127	146	151	151	(c)	—	—	—	—	—	—
	40,000 S	101	109	109	116	E 126	E 130	E 130	E 130	134	134	168	180	180	180
	40,000	—	—	—	—	—	—	—	—	130	130	E 152	E 163	175	175
	50,000	—	—	—	112	E 123	E 127	E 127	E 127	—	—	—	—	—	—
	60,000	—	—	—	—	—	—	—	—	121	121	E 149	152	152	152
	70/90	94	—	—	—	—	—	—	—	—	—	—	—	—	—
	70,000	—	102	102	108	123	128	128	121	—	—	—	—	—	—
	70/90/110	B 94	—	—	—	—	—	—	—	—	—	—	—	—	—
	80,000 S	—	—	99	105	120	124	124	118	—	—	—	—	—	—
	80,000	—	—	—	—	—	—	—	—	112	112	140	146	146	146
	100,000	A 78½	X 85	85	90	103	106	106	101	104	104	130	139	139	139
	140,000	—	—	—	—	—	—	—	—	—	E 94	118	126	126	126
Groups 26, 27 (South of Portland) Albany, Eugene, Lebanon, Millersburg, Springfield, Toledo	30,000 S	116	125	125	133	152	158	158	149	153	153	191	(c)	—	—
	36,000 S	111	120	120	127	146	151	151	(c)	—	—	—	—	—	—
	40,000 S	101	109	109	116	E 126	E 130	E 130	E 130	134	134	168	180	180	180
	40,000	—	—	—	—	—	—	—	—	130	130	E 152	E 163	175	175
	50,000	—	—	—	112	E 123	E 127	E 127	E 127	—	—	—	—	—	—
	60,000	—	—	—	—	—	—	—	—	121	121	E 149	152	152	152
	70/90	88	—	—	—	—	—	—	—	—	—	—	—	—	—
	70,000	—	96	96	102	117	121	121	114	117	117	146	—	—	—
	70/90/110	B 88	—	—	—	—	—	—	—	—	—	—	—	—	—
	80,000 S	—	—	99	105	105	109	109	103	—	—	—	—	—	—
	80,000	—	—	—	—	—	—	—	—	112	112	140	146	146	146
	100,000	A 73½	X 79	79	84	96	100	100	94	97	97	122	131	131	131
	140,000	—	—	—	—	—	—	—	—	—	E 87	110	118	118	118
Group 28, (Seattle, Wa.)	30,000 S	124	133	133	141	161	167	167	158	163	163	205	(c)	—	—
	40,000 S	109	118	118	125	E 134	E 137	E 137	E 137	141	141	176	188	188	188
	40,000	—	—	—	—	—	—	—	—	138	138	E 165	E 177	185	185
	50,000	—	—	—	121	E 131	E 134	E 134	E 134	—	—	—	—	—	—
	60,000	—	—	—	—	—	—	—	—	131	131	E 162	157	157	157
	70/90	100½	—	—	—	—	—	—	—	—	—	—	—	—	—
	70,000	—	109	109	116	133	138	138	130	—	—	—	—	—	—
	70/90/110	B 100½	—	—	—	—	—	—	—	—	—	—	—	—	—
	80,000 S	—	—	112	119	136	141	141	134	—	—	—	—	—	—
	80,000	—	—	—	—	—	—	—	—	122	122	153	152	152	152
	100,000	A 78½	X 85	85	90	103	106	106	101	104	104	130	139	139	139
	140,000	—	—	—	—	—	—	—	—	—	E 94	118	126	126	126

Wrapping paper, Oregon and Washington to California—Continued

FROM	MINIMUM WEIGHT (POUNDS)	TO GROUP 17A (LOS ANGELES)													
		(1) 1/1/66	(2) 1/1/69	(3) 9/24/69	(4) 6/27/70	(5) 4/3/71	(6) 7/6/71	(7) 1/1/72	(8) 1/15/72	(9) 11/10/72	(10) 1/15/73	(11) 12/21/74	(12) 6/12/75	(13) 6/21/75	(14) 8/2/75
Group 29A (Everett, Wa.)	30,000 S	124	133	133	141	161	167	167	158	163	163	205	(c)	---	---
	40,000 S	109	118	118	125	E 134	E 138	E 138	E 138	141	141	176	188	188	188
	40,000	---	---	---	---	---	---	---	---	138	138	E 165	E 177	185	165
	50,000	---	---	---	121	E 131	E 135	E 135	E 135	---	---	---	---	---	---
	60,000	---	---	---	---	---	---	---	---	131	131	E 162	E 173	177	177
	70/90	---	---	---	---	---	---	---	---	---	---	---	---	---	---
	70,000	---	---	---	---	---	---	---	---	---	---	---	---	---	---
	70/90/110	---	---	---	---	---	---	---	---	---	---	---	---	---	---
	80,000 S	---	---	112	119	136	141	141	134	---	---	---	---	---	---
	80,000	---	---	---	---	---	---	---	---	122	122	153	164	164	164
	100,000	---	---	---	91	104	108	108	102	105	105	131	140	140	140
	140,000	---	---	---	---	---	---	---	---	---	E 95	119	127	127	127
Group 29B (Bellingham, Wa.)	30,000 S	124	133	133	141	161	167	167	158	163	163	205	(c)	---	---
	40,000 S	109	118	118	125	144	149	149	141	144	144	179	192	192	192
	40,000	---	---	---	---	---	---	---	---	141	141	E 168	E 180	188	188
	50,000	---	---	---	121	138	143	143	136	---	---	---	---	---	---
	60,000	---	---	---	---	---	---	---	---	134	134	E 166	E 178	180	180
	70/90	---	---	---	---	---	---	---	---	---	---	---	---	---	---
	70,000	---	---	---	---	---	---	---	---	---	---	---	---	---	---
	70/90/110	---	---	---	---	---	---	---	---	---	---	---	---	---	---
	80,000 S	---	---	---	---	---	---	---	---	---	---	---	---	---	---
	80,000	---	---	---	---	---	---	---	---	126	126	158	169	169	169
	100,000	---	---	---	---	---	---	---	---	117	117	146	156	156	156
	140,000	---	---	---	---	---	---	---	---	---	E 107	134	143	143	143
PortAngeles Wa., Port Townsend, Wa.	30,000 S	135	145	145	154	176	183	183	173	178	178	222	(c)	---	---
	40,000 S	109	118	118	125	E 134	E 138	E 138	E 138	141	141	176	188	188	188
	40,000	---	---	---	---	---	---	---	---	138	138	E 165	E 177	185	185
	50,000	---	---	---	121	E 131	E 135	E 135	E 135	---	---	---	---	---	---
	60,000	---	---	---	---	---	---	---	---	131	131	E 162	E 173	177	165
	70/90	102	---	---	---	---	---	---	---	---	---	---	---	---	---
	70,000	---	110	110	117	134	139	139	134	---	---	---	---	---	---
	70/90/110	B 102	---	---	---	---	---	---	---	---	---	---	---	---	---
	80,000 S	---	---	---	---	---	---	---	---	---	---	---	---	---	---
	80,000	---	---	---	---	---	---	---	---	124	124	156	167	167	157
	100,000	A 80	X 86	86	91	104	108	108	102	105	105	131	140	140	140
	140,000	---	---	---	---	---	---	---	---	---	E 95	119	127	127	127

Wrapping paper, Oregon and Washington to California—Continued

FROM	MINIMUM WEIGHT (POUNDS)	TO GROUP 17A (LOS ANGELES) (1) 1/1/66	(2) 1/1/69	(3) 9/24/69	(4) 6/27/70	(5) 4/3/71	(6) 7/6/71	(7) 1/1/72	(8) 1/15/72	(9) 11/10/72	(10) 1/15/73	(11) 12/21/74	(12) 6/12/75	(13) 6/21/75	(14) 8/2/75
Millwood, Wa.	30,000 S	125	134	134	142	163	169	169	160	165	165	207	(c)	—	—
Valox, Wa.	40,000 S	109	118	118	125	144	149	149	141	144	144	179	192	192	192
	40,000	—	—	—	—	—	—	—	—	141	141	E 168	E 180	188	188
	50,000	—	—	—	121	138	143	143	136	—	—	—	—	—	—
	60,000	—	—	—	—	—	—	—	—	134	134	E 166	E 178	180	180
	70/90	102	—	—	—	—	—	—	—	—	—	—	—	—	—
	70,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	70/90/110	B 102	110	110	117	134	139	139	131	—	—	—	—	—	—
	80,000 S	—	—	112	119	136	141	141	134	—	—	—	—	—	—
	80,000	—	—	—	—	—	—	—	—	126	126	158	169	169	169
	100,000	A 95	E 103	103	109	125	130	130	123	117	117	146	156	156	156
	140,000	—	—	—	—	—	—	—	—	—	E 107	134	143	143	143

Wrapping paper, Oregon and Washington to California—Continued

Explanation of Minimum Weights and Symbols:

"S" - Minimum weights so referenced ARE subject to Rule 24 of Uniform Freight Classification and to tariff rules governing furnishing of cars. All other minimum weights are NOT subject to Rule 24, etc..

70/90 - Minimum weight 70,000 pounds in cars not over 41 feet 7 inches;
90,000 pounds in cars over 41 feet 7 inches but not over 50 feet 6 inches.

70/90/110 - Effective February 7, 1966, this minimum weight replaced the 70/90 and provided the following:

70,000 pounds in cars not over 41 feet 7 inches;
90,000 pounds in cars over 41 feet 7 inches but not over 52 feet 6 inches;
110,000 pounds in cars over 52 feet 6 inches but not over 60 feet 10 inches.

Explanation of Reference Marks:

A - Rates were originally published effective July 18, 1962, as part of broad adjustment to meet barge competition.
X - Rates became permanent effective July 18, 1967.
B - Effective February 7, 1966 - see 70/90/110 above.
E - Rates published subject to expiration dates.
C - Rates cancelled.

AUTHORITIES:

Column	PSFB			Remarks
	Item Numbers	Tariff No.	ICC No.	
(1)	8858, 8858½, 8859, 8859.2	1-S	1352	--------
(2)	8858, 8858½, 8859, 8859.2	1-S	1352	Rates include increases authorized in Ex Parte Nos. 256 (3 cents per 100 pounds) and 259 (5%).
(3)	8858, 8858½, 8859, 8859.2	1-S	1352	Rates published on 80,000, 80,000 S and 100,000 pounds and include increases referred to above.
(4)	8858, 8858½, 8859, 8859.2	1-S	1352	Rates published on 40,000 S pounds, Ex Parte 262 (6%) increase included.
(5)	1250, 2500, 2560	315	1874	Adjustment in 40,000 S and 50,000 pounds rates and include increases authorized in Ex Parte Nos. 265 (6%) and 267 (8%).
(6)	1250, 2500, 2560	315	1874	Further adjustment in 40,000 S and 50,000 pounds rates. Rates include increase of 12% under Ex Parte 267-B.
(7)	1250, 2500, 2560	315	1874	Rates at Ex Parte 267-B (12%) level.
(8)	1250, 2500, 2560, X-267	315	1874	Roll back from 12% to 6% on all rates except rates subject to expiration date.
(9)	1250, 2500, 2560	315	1874	General realignment of rates. Published rates on 40,000 and 60,000 pounds and cancelled 50,000 pounds rates. Rates include increase authorized in Ex Parte 281-B (3%).
(10)	1250, 2500, 2560	315	1874	Addition of rates on 140,000 pounds; includes Ex Parte 281-B increase of 3%.

Wrapping paper, Oregon and Washington to California—Continued

AUTHORITIES: (continued)

Column	PSFB			Remarks
	Item Numbers	Tariff No.	ICC No.	
(11)	1250, 2500, 2560	1-S	1874	Reduction of rates on 40,000 and 60,000 pounds, subject to expiration date. Rates include increases authorized in Ex Parte Nos. 295-A (3%), 299-A (2.8%), 303 (4%) and 305-A (3.3% plus 10%).
(12)	1250, 2500, 2560	1-S	1874	Overall adjustment including cancellation of 30,000 # rates from all origins and reduction of rates on 60,000, 80,000 and 100,000 pounds from Portland and Seattle groups. All rates include increase authorized in Ex Parte 310 (7%).
(13)	1250, 2500, 2560	1-S	1874	Temporary rates on 40,000 and 60,000 pounds expired; permanent rates shown include Ex Parte 310 (7%).
(14)	1250, 2500, 2560	1-S	1874	Rates from Port Angeles and Port Townsend reduced on 60,000, 80,000 and 100,000 pounds as part of adjustment covered by Column 12. All rates shown include Ex Parte 310 increase of 7%.

PSFB - Pacific Southcoast Freight Bureau, Inc., Agent.
No. - Number.

TABLE 37

SHOWING RATES, IN CENTS PER 100 POUNDS, APPLICABLE ON SHIPMENTS OF PRINTING PAPER FROM REPRESENTATIVE PRODUCING AREAS IN OREGON AND WASHINGTON TO CALIFORNIA GROUPS

Printing paper, Oregon and Washington to California

FROM	MINIMUM WEIGHT (POUNDS)	TO GROUP 15 (SAN FRANCISCO)												
		(1) 1/1/66	(2) 1/1/69	(3) 5/3/70	(4) 11/28/70	(5) 4/6/71	(6) 8/11/71	(7) 1/1/72	(8) 1/15/72	(9) 11/10/72	(10) 12/21/74	(11) 1/22/75	(12) 6/12/75	(13) 8/2/75
Groups 26,27	30,000 S	98	106	112	119	129	133	133	126	130	164	164	(c)	---
(Portland,Or.)	40,000 S	77	83	E 85	E 90	E 92	E 94	E 94	E 94	E 97	E 122	122	131	140
Group 28A	40,000	---	---	---	----	---	---	---	---	101	127	127	127	136
(Longview,Wa.)	60,000 ø	---	---	E 79	E 84	E 82	E 84	E 84	E 84	E 87	E 110	110	(c)	---
	60,000	---	---	---	---	---	---	---	---	94	118	118	110	118
	80/70 ø	---	---	---	E 78	84	87	87	83	85	107	(c)	---	---
	80/70	---	---	---	---	---	---	---	---	---	---	107	107	114
	80,000 S	76	82	87	92	99	103	103	98	(c)	---	---	---	---
	80,000 ø	---	---	E 74	---	---	---	---	---	---	---	---	---	---
	80,000	73	79	84	89	96	100	100	94	88	111	111	105	112
	100,000 ø	---	---	E 69	E 73	E 79	82	82	77	79	98	(c)	---	---
	100,000	---	---	---	---	---	---	---	---	.82	101	98	98	105
	140,000	---	---	---	---	---	---	---	---	---	---	95	95	102
Group 28	30,000 S	106	114	121	128	138	143	143	136	140	175	175	(c)	---
(Seattle,Wa.)	40,000 S	86	93	E 96	E 102	E 102	E 104	E 104	E 104	E 107	E 134	134	134	143
	40,000	---	---	---	---	---	---	---	---	111	139	139	139	149
	60,000 ø	---	---	E 86	E 91	E 92	E 94	E 94	E 94	E 97	E 122	122	(c)	---
	60,000	---	---	---	---	---	---	---	---	104	E 119	E 119	116	124
	80/70 ø	---	---	---	E 86	93	96	96	91	94	118	(c)	---	---
	80/70	---	---	---	---	---	---	---	---	---	---	118	(118)	(126)
	80,000 S	83¼	91	96	102	110	114	114	108	(c)	---	---	---	---
	80,000 ø	---	---	E 81	---	---	---	---	---	---	---	---	---	---
	80,000	82	89	94	100	108	112	112	106	97	122	122	110	118
	100,000 ø	---	---	E 76	E 81	87	91	91	86	89	112	(c)	---	---
	100,000	---	---	---	---	---	---	---	---	89	112	112	105	112
	140,000	---	---	---	----	---	---	---	---	---	---	107	(107)	(114)
Group 29A	30,000 S	107	116	123	130	140	146	146	138	142	177	177	(c)	---
(Everett,Wa.)	40,000 S	86	93	E 96	E 102	E 102	E 104	E 104	E 104	E 107	E 134	134	134	143
	40,000	---	---	---	---	---	---	---	---	111	139	139	139	149
	60,000 ø	---	---	E 88	E 91	E 94	E 96	E 96	E 96	E 99	E 124	124	124	133
	60,000	---	---	---	---	---	---	---	---	104	130	130	130	139
	80/70 ø	---	---	---	E 86	93	96	96	91	94	118	118	118	126
	80/70	---	---	---	---	---	---	---	---	---	---	---	---	---
	80,000 S	83¼	91	96	102	110	114	114	108	(c)	---	---	---	---
	80,000 ø	---	---	E 83	---	----	---	---	---	---	---	---	---	---
	80,000	82	89	94	100	108	112	112	106	97	122	122	122	131
	100,000 ø	---	---	E 78	E 81	87	91	91	86	89	112	(c)	---	---
	100,000	---	---	---	---	---	---	---	---	89	114	112	112	120
	140,000	---	---	---	----	---	---	---	---	---	---	---	---	---

Printing paper, Oregon and Washington to California—Continued

FROM	MINIMUM WEIGHT (POUNDS)	TO GROUP 15 (SAN FRANCISCO)												
		(1) 1/1/66	(2) 1/1/69	(3) 5/3/70	(4) 11/28/70	(5) 4/6/71	(6) 8/11/71	(7) 1/1/72	(8) 1/15/72	(9) 11/10/72	(10) 12/21/74	(11) 1/22/75	(12) 6/12/75	(13) 8/2/75
Group 29B (Bellingham,Wa.)	30,000 S	107	116	123	130	140	146	146	138	142	177	177	(c)	---
	40,000 S	92	100	E 96	E 102	E 104	E 104	E 104	E 104	E 107	E 134	134	134	143
	40,000	---	---	---	---	---	---	---	---	114	142	142	142	152
	60,000 ø	---	---	E 88	E 91	E 94	E 96	E 96	E 96	E 99	E 124	124	124	133
	60,000	---	---	---	---	---	---	---	---	107	134	134	134	143
	80/70 ø	---	---	---	E 86	93	96	96	91	94	118	(c)	---	---
	80/70	---	---	---	---	---	---	---	---	---	---	118	118	126
	80,000 S	---	---	---	---	---	---	---	---	---	---	---	---	---
	80,000 ø	---	---	E 83	---	---	---	---	---	---	---	---	---	---
	80,000	---	---	---	---	---	---	---	---	101	127	127	127	136
	100,000 ø	---	---	E 78	E 81	87	91	91	86	89	112	(c)	---	---
	100,000	---	---	---	---	---	---	---	---	95	119	112	112	120
	140,000	---	---	---	---	---	---	---	---	---	---	---	---	---
Millwood, Wa.	30,000 S	107	116	123	130	140	146	146	138	142	177	177	(c)	---
	40,000 S	89	97	E 99	E 105	E 105	E 107	E 107	E 107	E 111	E 139	139	139	149
	40,000	---	---	---	---	---	---	---	---	114	142	142	142	152
	60,000 ø	---	---	E 89	E 94	E 95	E 97	E 97	E 97	E 100	E 125	125	125	134
	60,000	---	---	---	---	---	---	---	---	107	E 122	E 122	E 122	E 131
	80/70 ø	---	---	---	E 89	96	100	100	94	97	122	(c)	---	---
	80/70	---	---	---	---	---	---	---	---	---	---	122	122	131
	80,000 S	86½	94	100	106	114	119	119	112	(c)	---	---	---	---
	80,000 ø	---	---	E 84	---	---	---	---	---	---	---	---	---	---
	80,000	85	92	98	104	112	116	116	110	101	127	127	127	136
	100,000 ø	---	---	E 79	E 84	91	94	94	89	92	116	(c)	---	---
	100,000	---	---	---	---	---	---	---	---	95	119	116	116	124
	140,000	---	---	---	---	---	---	---	---	---	---	---	---	---

Printing paper, Oregon and Washington to California—Continued

FROM	MINIMUM WEIGHT (POUNDS)	TO GROUP 17A (LOS ANGELES)												
		(1) 1/1/66	(2) 1/1/69	(3) 5/3/70	(4) 11/28/70	(5) 4/6/71	(6) 8/11/71	(7) 1/1/72	(8) 1/15/72	(9) 11/10/72	(10) 12/21/74	(11) 1/22/75	(12) 6/12/75	(13) 8/2/75
Groups 26,27 (Portland,Or.)	30,000 S	116	125	133	141	152	158	158	149	153	191	191	(c)	---
	36,000 S	111	120	127	135	146	151	151	143	(c)	---	---	---	---
Group 28A (Longview,Wa.)	40,000 S	101	109	E 112	E 119	E 126	E 130	E 130	E 130	134	168	168	168	180
	40,000	---	---	---	---	---	---	---	---	130	164	164	164	175
	60,000 #	---	---	E 102	E 108	E 116	E 120	E 120	E 120	E 124	E 146	146	(c)	---
	60,000	---	---	---	---	---	---	---	---	121	152	152	142	152
	80,000 S	91	99	105	111	120	124	124	118	(c)	---	---	---	---
	80,000 #	---	---	E 97	E 103	111	115	115	109	112	140	(c)	---	---
	80,000	---	---	---	---	---	---	---	---	112	140	140	136	146
	100,000	E 80	86	91	96	104	108	108	102	105	131	131	130	139
	140,000	---	---	---	---	---	---	---	---	---	---	127	127	136
Group 28 (Seattle,Wa.)	30,000 S	124	133	141	149	161	167	167	158	163	205	205	(c)	---
	40,000 S	109	118	125	E 133	E 134	E 138	E 138	E 138	142	177	177	177	189
	40,000	---	---	---	---	---	---	---	---	138	173	173	173	185
	60,000 #	---	---	E 117	E 124	E 124	E 128	E 128	E 128	E 132	E 160	160	(c)	---
	60,000	---	---	---	---	---	---	---	---	131	165	165	147	157
	80,000 S	103½	112	119	126	136	141	141	134	(c)	---	---	---	---
	80,000 #	---	---	112	119	129	133	133	126	130	164	(c)	---	---
	80,000	---	---	---	---	---	---	---	---	122	153	153	142	152
	100,000 #	---	---	E 107	E 113	122	127	127	120	124	156	(c)	---	---
	100,000	---	---	---	---	---	---	---	---	111	139	139	136	146
	140,000	---	---	---	---	---	---	---	---	---	---	134	134	143
Group 29A (Everett, Wa.)	30,000 S	124	133	141	149	161	167	167	158	163	205	205	(c)	---
	40,000 S	109	118	125	133	E 134	E 138	E 139	E 138	142	177	177	177	189
	40,000	---	---	---	---	---	---	---	---	138	173	173	173	185
	60,000 #	---	---	E 119	E 126	E 126	E 130	E 130	E 130	E 134	E 168	(c)	---	---
	60,000	---	---	---	---	---	---	---	---	131	165	165	165	177
	80,000 S	103½	112	119	126	136	141	141	134	(c)	---	---	---	---
	80,000 #	---	---	E 114	E 121	131	136	136	136	132	166	(c)	---	---
	80,000	---	---	---	---	---	---	---	---	122	153	153	153	164
	100,000 #	---	---	E 109	E 116	125	130	130	123	127	160	(c)	---	---
	100,000	---	---	---	---	---	---	---	---	113	141	141	141	151
	140,000	---	---	---	---	---	---	---	---	---	---	---	---	---

Printing paper, Oregon and Washington to California—Continued

FROM	MINIMUM WEIGHT (POUNDS)	TO GROUP 17A (LOS ANGELES)												
		(1) 1/1/66	(2) 1/1/69	(3) 5/3/70	(4) 11/28/70	(5) 4/6/71	(6) 8/11/71	(7) 1/1/72	(8) 1/15/72	(9) 11/10/72	(10) 12/21/74	(11) 1/22/75	(12) 6/12/75	(13) 8/2/75
Group 29B (Bellingham, Wa.)	30,000 S	124	133	141	149	161	167	167	158	163	205	205	(c)	---
	40,000 S	109	118	125	133	E 134	E 138	E 138	E 138	E 142	E 177	179	179	192
	40,000	---	---	---	---	---	---	---	---	141	176	176	176	188
	60,000 ø	---	---	E 119	E 126	E 126	E 130	E 130	E 130	E 134	E 163	(c)	---	---
	60,000	---	---	---	---	---	---	---	---	134	168	168	168	180
	80,000 S	---	---	---	---	---	---	---	---	---	---	---	---	---
	80,000 ø	---	---	E 114	E 121	131	136	136	128	132	168	(c)	---	---
	80,000	---	---	---	---	---	---	---	---	126	158	158	158	169
	100,000 ø	---	---	E 109	E 116	125	130	130	123	127	160	(c)	---	---
	100,000	---	---	---	---	---	---	---	---	117	146	146	146	156
	140,000	---	---	---	---	---	---	---	---	---	---	---	---	---
Millwood, Wa.	30,000 S	125	134	142	151	163	169	169	160	165	207	207	(c)	---
	40,000 S	109	118	125	133	E 137	E 141	E 141	E 141	144	179	179	179	192
	40,000	---	---	---	---	---	---	---	---	141	176	176	176	188
	60,000 ø	---	---	E 120	E 127	E 127	E 131	E 131	E 131	E 134	E 163	E 163	E 163	E 174
	60,000	---	---	---	---	---	---	---	---	134	168	168	168	180
	80,000 S	103½	112	119	126	136	141	141	134	(c)	---	---	---	---
	80,000 ø	---	---	E 115	E 122	132	137	137	129	133	167	(c)	---	---
	80,000	---	---	---	---	---	---	---	---	126	158	158	158	169
	100,000 ø	---	---	E 110	E 117	126	131	131	124	128	161	(c)	---	---
	100,000	---	---	---	---	---	---	---	---	117	146	146	146	156
	140,000	---	---	---	---	---	---	---	---	---	---	---	---	---

Printing paper, Oregon and Washington to California—Continued

EXPLANATION OF MINIMUM WEIGHTS AND SYMBOLS:

"S" - following minimum weight signifies that rates at those minima ARE subject to Rule 24 of Uniform Freight Classification and to tariff rules governing furnishing of cars.

ø - Minimum weight applies only in cars not exceeding 52 feet 7 inches in length (inside measurement).

80/70 - Minimum weight 80,000 pounds except if car is loaded to full space or weight carrying capacity actual weight will apply but not less than 70,000 pounds.

E - Subject to expiration date.

AUTHORITIES:

COLUMN	PSFB			REMARKS
	ITEM NUMBERS	TARIFF NO.	ICC NO.	
(1)	8858, 8858½, 8859, 8859.2	1-S	1352	--
(2)	8858, 8858½, 8859, 8859.2	1-S	1352	Rates include increases authorized in Ex Parte Nos. 256 (3 cents per 100 pounds) and 259 (5%).
(3)	8858, 8858½, 8859, 8859.2	1-S	1352	Publication of reduced rates (temporary) on 40,000 "S", 60,000, 80,000 and 100,000 pounds minima. Rates include increase authorized in Ex Parte 262 (6%).
(4)	1250, 2500, 2560	315	1874	Modification of minimum weight of 80,000 ø pounds to 80/70 ø pounds. Rates include increase authorized in Ex Parte 265 (6%).
(5)	1250, 2500, 2560	315	1874	Reduced rates on 40,000 "S", 60,000"ø" and 100,000 "ø" pounds minima. Rates include increase authorized in Ex Parte 267 (8%).
(6)	1250, 2500, 2560	315	1874	Further reduction in rates on 40,000 "S" and 60,000 ø pounds. Rates include 12% increase authorized in Ex Parte 267.
(7)	1250, 2500, 2560	315	1874	Rates at Ex Parte 267-B (12%) level.
(8)	1250, 2500, 2560, X-267	315	1874	Roll back from 12% to 6% on all rates except rates subject to expiration date.
(9)	1250, 2500, 2560	315	1874	Cancellation of 36,000 "S" pounds from Portland area to Los Angeles. Also cancellation of 80,000 "S" rates overall. Some expiration dates removed. Rates shown include increase authorized in Ex Parte 281 (3%).
(10)	1250, 2500, 2560	315	1874	More expiration dates removed. Rates include increases authorized in Ex Parte Nos. 295 (3%), 299 (2.8%), and 305 (3.3% plus 10%).
(11)	1250, 2500, 2560	315	1874	Most expiration dates removed as well as most of the 52 foot 7 inch car length restriction. Rate level same as in (10), - X - 305 level.
(12)	1250, 2500, 2560	315	1874	Cancellation of all rates at 30,000 "S" pounds. Reductions at 60,000, 80,000 and 100,000 pounds minima. Removal of all but one of the remaining 52 foot 7 inch car length restrictions.
(13)	1250, 2500, 2560	315	1874	Rates include increase authorized in Ex Parte 310 (7%).

PSFB - Pacific Southcoast Freight Bureau, Inc., Agent
No. - Number

TABLE 38

SHOWING RATES, IN CENTS PER 100 POUNDS, ON PULPBOARD, OTHER THAN CORRUGATED, FROM POINTS IN OREGON AND WASHINGTON TO POINTS IN CALIFORNIA

Pulpboard from Idaho, Oregon and Washington to California groups

FROM	MINIMUM WEIGHT (POUNDS)	TO GROUP 15 (SAN FRANCISCO)									
		(1) 1/1/66	(2) 9/6/67	(3) 8/13/68	(4) 8/16/68	(5) 1/1/69	(6) 1/15/69	(7) 4/6/71	(8) 1/1/72	(9) 1/15/72	(10) 6/16/75
Groups 26,27 (Portland,Or.) Except as shown below.	30,000 S	95	98	103	103	103	103	125	130	123	171
	50,000 S	69	71	75	75	75	75	92	95	90	125
	60,000 S	60½	62½	66	66	66	66	80	83	78	106
	80/70	55½	57½	60	60	60	60	73	76	72	98
	90,000	53½	55½	58	58	58	58	70	73	69	95
	120/115	---	51½	54	54	54	(c)	---	---	---	---
	V 120,000	---	---	E 38	E 38	E 38	E 38	45	47	45	61
	120/110	---	---	---	E 50	E 50	54	65	67	64	89
	140/115	---	---	---	---	---	E 51	62	64	60	83
Groups 26,27 (South of Portland) Albany, Eugene, Lebanon, Millersburg, Springfield	30,000 S	95	98	103	103	103	103	125	130	123	171
	50,000 S	57½	59½	62	62	62	62	76	78	74	102
	60,000 S	53½	55½	58	58	58	58	70	73	69	95
	80/70	47½	49½	52	52	52	52	63	65	61	85
	90,000	45½	47½	50	50	50	50	60	63	59	82
	120/115	---	43½	46	46	46	(c)	---	---	---	---
	V 120,000	---	---	E 30	E 30	E 30	E 30	37	38	36	49
	120/110	---	---	---	E 50	E 50	46	56	58	55	77
	140/115	---	---	---	---	---	E 43	53	55	52	73
Group 28 (Seattle,Wa.) T applies from Tacoma, Wa.,and points south thereof	30,000 S	111	114	120	120	120	120	146	151	143	196
	50,000 S	81	84	88	88	88	88	107	111	105	144
	60,000 S	75	77	81	81	81	81	98	102	96	133
	80/70	64	66	69	69	69	69	83	86	82	113
	90,000	58½	60½	64	64	64	64	78	81	76	104
	T 90,000	57	59	62	62	62	62	76	78	74	102
	120/115	---	56½	59	59	59	---	---	---	---	---
	T 120/115	---	55	58	58	58	(c)	---	---	---	---
	V 120,000	---	---	---	---	---	---	---	---	---	---
	120/110	---	---	---	E 55	E 55	59	72	75	71	97
	T 120/110	---	---	---	E 54	E 54	58	70	73	69	95
	140/115	---	---	---	---	---	E 56	68	71	67	93
	T 140/115	---	---	---	---	---	E 55	66	68	65	90

Pulpboard from Idaho, Oregon and Washington to California groups—Continued

FROM	MINIMUM WEIGHT (POUNDS)	TO GROUP 15 (SAN FRANCISCO)									
		(1) 1/1/66	(2) 9/6/67	(3) 8/13/68	(4) 8/16/68	(5) 1/1/69	(6) 1/15/69	(7) 4/6/71	(8) 1/1/72.	(9) 1/15/72	(10) 6/16/75
Group 29A (Everett, Wa.)	30,000 S	---	---	---	---	---	---	---	---	---	---
	50,000 S	---	---	---	---	---	---	---	---	---	---
	60,000 S	---	---	---	---	---	---	103	106	101	139
	80/70	65½	67½	71	71	71	71	86	90	85	119
	90,000	58½	60½	64	64	64	64	78	81	76	104
	120/115	---	56½	59	59	59	(c)	---	---	---	---
	V 120,000	---	---	---	---	---	---	---	---	---	---
	120/110	---	---	---	E 55	E 55	59	72	75	71	97
	140/115	---	---	---	---	---	E 56	68	71	67	93
Group 29B (Bellingham, Wa.)	30,000 S	---	---	---	---	---	---	---	---	---	---
	50,000 S	---	---	---	---	---	---	---	---	---	---
	60,000 S	79	81	85	85	85	85	103	106	101	139
	80/70	65½	67½	71	71	71	71	86	90	85	119
	90,000	58½	60½	64	64	64	64	78	81	76	104
	120/115	---	56½	59	59	59	(c)	---	---	---	---
	V 120,000	---	---	---	---	---	---	---	---	---	---
	120/110	---	---	---	E 55	E 55	59	72	75	71	97
	140/115	---	---	---	---	----	E 56	68	71	67	93
Group 60 (Port Townsend, Wa.)	30,000 S	---	---	---	---	---	---	---	---	---	---
	50,000 S	---	---	---	---	---	---	---	---	---	---
	60,000 S	---	---	---	---	---	---	---	---	---	---
	80/70	65½	67½	71	71	71	71	86	90	85	119
Group 61 (Port Angeles, Wa.)	90,000	58½	60½	64	64	64	64	78	81	76	104
	120/115	---	56½	59	59	59	(c)	---	---	---	---
	V 120,000	---	---	---	---	---	---	---	---	---	---
	120/110	---	---	---	E 55	E 55	59	72	75	71	97
	140/115	---	---	---	---	---	E 56	68	71	67	93
Lewiston, Id. Millwood, Velox and Wallula, Wa.	30,000	---	---	---	---	---	---	---	---	---	---
	50,000	86	89	93	93	93	93	113	118	111	152
	60,000	79	81	85	85	85	85	103	106	101	139
	70,000	75	77	81	81	81	81	98	102	96	133
	80/70 N	65½	67½	71	71	71	71	86	90	85	119
	90,000 N	58½	60½	64	64	64	64	78	81	76	104
	120/115 N	---	56½	59	59	59	(c)	---	---	---	---
	V 120 N	---	---	---	---	---	---	---	---	---	---
	120/110 N	---	---	---	E 55	E 55	59	72	75	71	97
	140/115 N	---	---	---	---	---	E 56	68	71	67	93

Pulpboard from Idaho, Oregon and Washington to California groups—Continued

FROM	MINIMUM WEIGHT (POUNDS)	TO GROUP 17A LOS ANGELES									
		(1) 1/1/66	(2) 9/6/67	(3) 8/13/68	(4) 8/16/68	(5) 1/1/69	(6) 1/15/69	(7) 4/6/71	(8) 1/1/72	(9) 1/15/72	(10) 6/16/75
Groups 26,27 (Portland,Or.) Except as shown below.	30,000 S	113	116	122	122	122	122	148	153	145	198
	50,000 S	88	91	96	96	96	96	117	121	114	156
	60,000 S	81	84	88	88	88	88	107	111	105	144
	80/70	75	77	81	81	81	81	98	102	96	131
	90,000	70½	72½	76	76	76	76	93	96	91	126
	120/115	---	68½	72	72	72	(c)	---	---	---	---
	V 120,000	---	---	E 56	E 56	E 56	E 56	68	71	67	93
	120/110	---	---	---	E 68	E 68	72	87	91	86	120
	140/115	---	---	---	---	---	E 69	83	86	82	113
Groups 26,27 (South of Portland) Albany, Eugene, Lebanon, Millersburg, Springfield	30,000 S	113	116	122	122	122	122	148	153	145	198
	50,000 S	77	79	83	83	83	83	100	104	99	137
	60,000 S	73	75	79	79	79	79	96	100	94	131
	80/70	67	69	72	72	72	72	87	91	86	120
	90,000	62½	64½	68	68	68	68	82	85	81	109
	120/115	---	60½	64	64	64	(c)	---	---	---	---
	V 120,000	---	---	E 48	E 48	E 48	E 48	58	60	57	80
	120/110	---	---	---	E 68	E 68	64	78	81	76	104
	140/115	---	---	---	---	---	E 60	73	76	72	98
Group 28 (Seattle,Wa.) T applies from Tacoma, Wa., and points south thereof.	30,000 S	128	131	138	138	138	138	167	174	164	226
	50,000 S	100	103	108	108	108	108	131	136	128	178
	60,000 S	93	96	101	101	101	101	122	127	120	167
	80/70	82½	85½	90	90	90	90	109	113	107	148
	90,000	75½	77½	81	81	81	81	98	102	96	133
	T 90,000	74	76	80	80	80	80	97	101	95	132
	120/115	---	73½	77	77	77	(c)	---	---	---	---
	T 120/115	---	72	76	76	76	(c)	---	---	---	---
	V 120,000	---	---	---	---	---	---	---	---	---	---
	120/110	---	---	---	E 73	E 73	77	94	97	92	127
	T 120/110	---	---	---	E 71	E 71	76	93	96	91	126
	140/115	---	---	---	---	---	E 74	90	93	88	122
	T 140/115	---	---	---	---	---	E 72	87	91	86	120

Pulpboard from Idaho, Oregon and Washington to California groups—Continued

FROM	MINIMUM WEIGHT (POUNDS)	TO GROUP 17A LOS ANGELES									
		(1) 1/1/66	(2) 9/6/67	(3) 8/13/68	(4) 8/16/68	(5) 1/1/69	(6) 1/15/69	(7) 4/6/71	(8) 1/1/72	(9) 1/15/72	(10) 6/16/75
Group 29A (Everett, Wa.)	30,000 S	---	---	---	---	---	---	---	---	---	---
	50,000 S	---	---	---	---	---	---	---	---	---	---
	60,000 S	---	---	---	---	---	---	129	133	126	175
	80/70	84	87	91	91	91	91	110	114	108	149
	90,000	75½	77½	81	81	81	81	98	102	96	133
	120/115	---	73½	77	77	77	(c)	---	---	---	---
	V 120,000	---	---	---	---	---	---	---	---	---	---
	120/110	---	---	---	E 73	E 73	77	94	97	92	127
	140/115	---	---	---	---	---	E 74	90	93	88	122
Group 29B (Bellingham, Wa.)	30,000 S	---	---	---	---	---	---	---	---	---	---
	50,000 S	---	---	---	---	---	---	---	---	---	---
	60,000 S	98	101	106	106	106	106	129	133	126	175
	80/70	84	87	91	91	91	91	110	114	108	149
	90,000	75½	77½	81	81	81	81	98	102	96	133
	120/115	---	73½	77	77	77	(c)	---	---	---	---
	V 120,000	---	---	---	---	---	---	---	---	---	---
	120/110	---	---	---	E 73	E 73	77	94	97	92	127
	140/115	---	---	---	---	---	E 74	90	93	88	122
Group 60 (Port Townsend, Wa.) Group 61 (Port Angeles, Wa.)	30,000 S	---	---	---	---	---	---	---	---	---	---
	50,000 S	---	---	---	---	---	---	---	---	---	---
	60,000 S	---	---	---	---	---	---	---	---	---	---
	80/70	84	87	91	91	91	91	110	114	108	149
	90,000	75½	77½	81	81	81	81	98	102	96	103
	120/115	---	73½	77	77	77	(c)	---	---	---	---
	V 120,000	---	---	---	---	---	---	---	---	---	---
	120/110	---	---	---	E 73	E 73	77	94	97	92	127
	140/115	---	---	---	---	---	E 74	90	93	88	122
Lewiston, Id. Millwood, Velox and Wallula, Wa.	30,000 S	---	---	---	---	---	---	---	---	---	---
	50,000 S	106	109	114	114	114	114	138	143	136	187
	60,000 S	98	101	106	106	106	106	129	133	126	175
	70,000 S	94	97	102	102	102	102	123	128	121	168
	80/70	84	87	91	91	91	91	110	114	108	149
	90,000	75½	77½	81	81	81	81	98	102	96	133
	120/115	---	73½	77	77	77	(c)	---	---	---	---
	V 120,000	---	---	---	---	---	---	---	---	---	---
	120/110	---	---	---	E 73	E 73	77	94	97	92	127
	140/115	---	---	---	---	---	E 74	90	93	88	122

Pulpboard from Idaho, Oregon and Washington to California groups—Continued

EXPLANATION OF MINIMUM WEIGHTS:

S - Subject to Rule 24 of Uniform Freight Classification and to tariff rules governing furnishing of cars.

80/70 - Minimum weight 80,000 pounds except if car is loaded to full space or weight carrying capacity, actual weight will apply but not less than 70,000 pounds.

120/115 - Minimum weight 120,000 pounds except if car is loaded to full space or weight carrying capacity, actual weight will apply but not less than 115,000 pounds.

120/110 - Minimum weight 120,000 pounds except if car is loaded to full space or weight carrying capacity, actual weight will apply but not less than 110,000 pounds.

140/115 - Minimum weight 140,000 pounds except if car is loaded to full space or weight carrying capacity, actual weight will apply but not less than 115,000 pounds.

V 120 - Applies only in connection with shipments subject to minimum weight of 120/115 or 120/110 and only on weight in excess of 120,000 pounds. Publication is limited to rates from Groups 26 and 27 (Portland) to Groups 15 and 16 (San Francisco and Port Chicago).

AUTHORITIES:

COLUMN	ITEM NUMBERS	TARIFF NO.	ICC NO.	REMARKS
(1)	8870, 8874, 8876	PSFB 1-S	1352	----------
(2)	8870, 8874, 8876	PSFB 1-S	1352	Publication of rates on 120/115 minimum weight. Rates include increases authorized under Ex Parte No. 256 (2 cents or 3 cents per 100 pounds).
(3)	8870, 8874, 8876	PSFB 1-S	1352	Publication of V 120,000 pounds minimum weight to Northern California destinations. Rates include increase authorized in Ex Parte No. 259 (5%).
(4)	8870, 8874, 8876	PSFB 1-S	1352	Publication of rates on 120/110 minimum weight on temporary basis. Rates include increase authorized in Ex Parte 259 (5%).
(5)	8870, 8874, 8876	PSFB 1-S	1352	Rates include increases authorized in Ex Parte Nos. 256 and 259.
(6)	8870, 8874, 8876	PSFB 1-S	1352	Publication of rates on 140/115 minimum weight; rates on 120/115 minimum weight made permanent but minimum weight changed to 120/110. Rates include increases authorized in Ex Parte Nos. 256 and 259.
(7)	1270, 4100, 4170	PSFB 315	1874	All rates subject to an expiration date made permanent. Rates include increases authorized in Ex Parte Nos. 262 (6%), 265 (6%) and 267 (8%).
(8)	1270, 4100, 4170	PSFB 315	1874	Rates include increases authorized in Ex Parte No. 267 (12%).
(9)	1270, 4100, 4170, X-267	PSFB 315	1874	Roll back from 12% to 6% (Ex Parte 267).
(10)	1270, 4100, 4170	PSFB 315	1874	Rates include increases authorized in Ex Parte Nos. 281 (3%), 295 (3%), 299 (2.8%), 303 (4%), 305 (3.3% plus 10%) and 310 (7%).

PSFB - Pacific Southcoast Freight Bureau, Inc., Agent.

No. - Number.

TABLE 39

RATES, IN CENTS PER 100 POUNDS, ON SANITARY PAPERS VIZ: TOILET PAPER, FACIAL CLEANSING TISSUE, NAPKINS PAPER, PAPER TOWELS, FROM POINTS IN IDAHO, OREGON AND WASHINGTON TO POINTS IN CALIFORNIA

FROM	MINIMUM WEIGHT (POUNDS)	To Group 15 (San Francisco)								To Group 17A (Los Angeles)							
		(1) 1-1-66	(2) 1-1-69	(3) *10-1-70	(4) 1-1-72	(5) 1-15-72	(6) 5-20-72	(7) 6-16-75	ø 8-2-75	(1) 1-1-66	(2) 1-1-69	(3) *10-1-70	(4) 1-1-72	(5) 1-15-72	(6) 5-20-72	(7) 6-16-75	ø 8-2-75
Groups 26,27,27F (Portland, OR)	36,000	93	101	(C)	--	--	--	--	--	116	125	(C)	--	--	--	--	--
	36,000R	--	--	--	--	--	--	--	167	--	--	--	--	--	--	--	204
	36/18	--	--	113	127	120	(C)	--	--	--	--	141	158	149	(C)	--	--
	36/20	--	--	--	--	--	120	167	(C)	--	--	--	--	--	149	204	(C)
	36/22	--	--	--	--	--	--	--	179	--	--	--	--	--	--	--	218
Group 28A (Everett, WA)	36,000	99	107	(C)	--	--	--	--	--	121	130	(C)	--	--	--	--	--
	36,000R	--	--	--	--	--	--	--	177	--	--	--	--	--	--	--	215
	36/18	--	--	120	134	127	(C)	--	--	--	--	146	164	155	(C)	--	--
	36/20	--	--	--	--	--	127	177	(C)	--	--	--	--	--	155	215	(C)
	36/22	--	--	--	--	--	--	--	189	--	--	--	--	--	--	--	230
Group 29B (Bellingham, WA) Also Lewiston, ID	36,000	100	108	(C)	--	--	--	--	--	122	131	(C)	--	--	--	--	--
	36,000R	--	--	--	--	--	--	--	178	--	--	--	--	--	--	--	216
	36/18	--	--	121	136	128	(C)	--	--	--	--	147	165	156	(C)	--	--
	36/20	--	--	--	--	--	128	178	(C)	--	--	--	--	--	156	216	(C)
	36/22	--	--	--	--	--	--	--	190	--	--	--	--	--	--	--	251

Explanation of Minimum Weight Symbols and Reference Marks:

R - Not subject to Rule 24, Uniform Freight Classification.
36/18 - Minimum weight 36,000 pounds in cars not exceeding 50 feet 7 inches (inside) subject to Rule 24. Minimum weight in trailer car 18,000 pounds.
36/20 - Minimum weight 36,000 pounds in cars not exceeding 50 feet 7 inches (inside) subject to Rule 24. Minimum weight in trailer car 20,000 pounds.
36/22 - Minimum weight 36,000 pounds in cars not exceeding 50 feet 7 inches (inside) subject to Rule 24. Minimum weight in trailer car 22,000 pounds.
(C) - Cancelled
* - Date is approximate
ø - Rates on 36/22 are based seven (7) percent over the rate on 36/20 in effect on April 26, 1975, (Ex Parte 305-A level) plus Ex Parte 310 increase

AUTHORITIES:

Column	Item Numbers	Tariff No.	ICC No.	Remarks
(1)	8858, 885½	PSFB 1-S	1352	
(2)	8858, 885½	PSFB 1-S	1352	Rates include increases authorized in Ex Parte Nos. 256 (3 cents per 100 pounds) and 259 (5%)
(3)	8858, 885½	PSFB 1-S	1352	Rates include increases authorized in Ex Parte Nos. 262 (6%) and 265 (6%)
(4)	3000, 3030, 3040	PSFB 315	1874	Rates include increase authorized in Ex Parte No. 267 (12%)
(5)	3000, 3030, 3040, X267	PSFB 315	1874	Rollback from 12% to 6% (Ex Parte 267)
(6)	3000, 3030, 3040	PSFB 315	1874	Rates include 6% increase under Item X-267
(7)	3000, 3030, 3040	PSFB 315	1874	Rates include increases authorized in Ex Parte Nos. 281 (3%), 295 (3%), 299 (2.8%), 303 (4%), 305 (3.3% plus 10%) and 310 (7%)

EXPLANATION OF ABBREVIATION

PSFB	Pacific Southcoast Freight Bureau, Inc., Agent
No.	Number

Pacific Northwest to California.—Concerning the Pacific Northwest to California exhibits for newsprint, wrapping and printing papers (tables 35, 36, and 37, respectively) the rate structure shown as of January 1, 1966, contained certain temporary rates. These were established under Fourth Section order No. 19691 and as later amended, effective July 18, 1962, initially for a 5-year period. Their publication was to forestall the diversion to barge of large tonnages of these products originating at certain producing points on Puget Sound and the Willamette-Columbia Rivers system. Related adjustments were made from other producing points either at that time (newsprint from British Columbia) or subsequently. For newsprint, Sacramento and West Sacramento, Calif., "as ports," were added March 1, 1965, at the same newsprint rates as to the other California ports. Effective June 9, 1973, rates on newsprint, minimum weight 100,000 pounds were established to alternate with the then published higher rates at lower minimum weights which alternate with car size.

Downward adjustments subsequently made in the printing paper and wrapping paper rates at incentive minima resulted in cancellation of many of the barge competitive rates, but a few remain such as to the Los Angeles group on printing and wrapping paper at minimum of 100,000 pounds.

Returning to the printing paper, table 37, it will be noted that, effective May 3, 1970, the carriers published reduced rates on 40,000 pounds and a new level of rates on 60,000 pounds, both to expire in 12 months. A further motor-compelled adjustment was made effective on April 6, 1971. These publications were proposed by the carriers to compete with common carrier truck movement.

On wrapping paper a similar sequence occurred with publication of a rate on 50,000 pounds on June 27, 1970, and a reduction in the rates on 40,000 pounds and 50,000 pounds effective April 3, 1971, and a still further reduction on those minima effective July 6, 1971, to a level more nearly competitive with motor common carrier rates. These, too, were on a temporary basis.

Effective April 12, 1971, under general increases authorized in Ex Parte No. 267-B the rail lines published an increase of 12 percent (in lieu of 8 percent under Ex Parte No. 267-A) in mountain Pacific territory on paper products. In early 1972, pursuant to action taken under section 5a procedures between the carriers and the shippers, the 12-percent increase, except on newsprint, was rolled back to 6 percent, the same percentage increase that paper producers situated in the South and Southwest were afforded effective April 12, 1971, when shipping anywhere in the continental United States. However, the rollback was not accorded the temporary rates previously published to meet motor truck competition. These were the rates on wrapping paper and paper bags at minima 40,000 and 50,000 pounds and on printing paper at minima of 40,000 and 60,000 pounds.

The rates shown effective November 10, 1972, in table 36 and 37 covering wrapping paper and printing paper reflect the carriers' response to efforts begun by the WPTC in December 1971 to secure a revision of the (then) existing rate structure from the Pacific Northwest to California on these and other paper products grouped therewith, including paper bags. The action was made necessary because prior general freight rate increases, coupled with the adjustments made to meet barge and truck competition, had allegedly completely distorted both origin and destination rail rate relationships and had unduly dislocated rate relationships between products. Incentive rates had been rendered meaningless or nearly so in the process of adjusting rail rates to meet the rates of other transportation modes.

Since the November 10, 1972, adjustment there have been additional general increases and these, coupled with lesser increases taken by the motor common carriers, reportedly resulted in the rail rates again becoming borderline competitive. The rail lines have made certain downward adjustments from the Seattle group and from the Portland group and points in Oregon south thereof, of reduced rates at minima 60,000 pounds reflecting generally 7 cents per 100 pounds under the 40,000 pounds motor rates plus rate changes at minima 80,000 and 100,000 pounds to continue the incentives to heavier loading established in the earlier adjustment of November 10, 1972. Also, the carriers published, effective August 2, 1975, related rates from the Port Angeles and Port Townsend groups. The temporary rates at minimum weight 40,000 pounds expired June 21, 1975.

While not shown, the rates on paper bags are the same as in table 36 for wrapping paper at all carload minima under 100,000 pounds, starting with the November 10, 1972, display.

Turning now to table 38 on pulpboard, the rate structure as of January 1, 1966, shows rates on minimum weights ranging from 30,000 to 90,000 pounds. The heavier minima were, in part, as result of the barge competitive adjustment previously mentioned. Rate changes between July 18, 1962 (the effective date of the barge compelled temporary rates), and January 1, 1966, had served to eliminate the temporary rates. During 1967, 1968, and 1969 the rail lines published rates at 120,000 and 140,000 pounds. This trend to increasingly heavier minimum weights was to encourage the still heavier loading of pulpboard and thereby better utilize the carriers' equipment.

It is noted that the rail lines serving Idaho, Montana, Oregon, and Washington did not establish incentive rates on pulpboard moving within and between those States until July 27, 1974. They were published on minima of 80,000 pounds, 100,000 pounds, and 120,000 pounds and now appear in North Pacific Coast Tariff Bureau, Agent Freight Tariff 80-Q, ICC 1297. This paper tariff reissue, effective August 1, 1975, contains approximately 35 fewer rate pages than were in the prior issue, largely the result of some 300 separate rail-issued rate dockets seeking to cancel unused rates.

The sanitary-papers rates are shown in table 39. Effective August 2, 1975, the 36,000-pound rates which prior to that date permitted use of a trailer car were made not subject to rule 24 of the Uniform Freight Classification. Contemporaneously, however, increased rates were provided which permit trailer-car use.

Pacific Northwest to Utah and southern Idaho.—The rates on groundwood paper are on the newsprint level at carload minimum 40,000 pounds. No incentive rates were, or are, specifically published. However, rates named to the more distant points taking group J rates appearing in Transcontinental Freight Bureau Tariff 2 series, may be applied at intermediate main line and certain other points. This essentially intermediate application rule (commonly referred to as the "overhead" rule) was covered in item 265, Union Pacific Tariff 6074-0 and item 495 Pacific Southcoast Freight Bureau Tariff 52-H, now item 495 of Pacific Freight Bureau Tariff 52-I. The resultant effect, is to make available rates named to Denver, Colo., and other group J points, where rates producing lower charges are not specifically published, to said intermediate places, including as examples Salt Lake City and Ogden, Utah, Pocatello, Buhl, and Boise, Idaho. Note is made that some of the rates on newsprint to Utah are the same as are simultaneously in effect to Denver, Colo., a group J point, the result of the overhead application of the transcontinental group J rates.

Northwest to group J—newsprint.—Major actions which occurred between 1966 and 1975 involving newsprint rates from the Pacific Northwest to transcontinental rate group J illustrate how the preservation of equality with rates from Canadian Lakehead origins influenced the evolution of these rates at minima 100,000 pounds and greater, depending on car length. This rate equality had been set at 40,000 pounds minimum carload weight for a number of years and was protected when reduced rates were incorporated in the structure at minima of 55,000 pounds, 71,500 pounds and 88,000 pounds, depending on car length.

Concurrent efforts to secure additional incentive loading rates progressed during 1966 and 1967; one from Canadian Lakehead origins to various WTL territory destinations including Denver, Colo., and the other from Pacific Northwest origins to transcontinental group J. In late 1967, these efforts resulted in a rate of 103 cents per 100 pounds being established, subject to minima of 100,000 pounds in 40-foot cars, 120,000 pounds in 50-foot cars, and 140,000 pounds in 60-foot cars from both producing areas.

When general increases under Ex Parte No. 267-B became effective on June 17, 1971, all rates on newsprint moving within western territory were increased 12 percent. This applied to those from both the Lakehead origins and the Pacific Northwest. However, the Lakehead producers prevailed on the Canadian lines, as regards shipments to U.S. points at minima of 100,000 pounds or more, to revert to the 8-percent increase which had been established under Ex Parte No. 267-A, effective July 31, 1971. This resulted in a disparity of 5 cents per 100 pounds in the rates to the Denver area from the two competitive producing areas. This disparity was removed by carriers reducing the Pacific Northwest rate to the Lakehead level, effective September 13, 1971.

Transcontinental—all rate groups.—The transcontinental rates at minima 36,000, 50,000, and 70,000 pounds prior to 1966 on paper bags, printing paper, and wrapping paper, represent the carriers' response to a series of rate adjustment requests commencing in 1960 covering these and, frequently, other commodities by producers shipping eastbound as well as producers shipping westbound from mills located for the most part in WTL and/or official territories. The initial rate adjustment resulting from these proposals became effective March 15, 1962, and covered wrapping paper and paper bags at minima 36,000, 50,000, and 70,000 pounds. It applied to (also from) groups C-1 and west, except group J. The adjustment was extended to and from SFA territory effective May 15, 1962. The rates applying on printing paper portrayed as of January 1, 1966, were originally established to and from groups C-1 and west (except group J) effective July 15, 1963. It was not until October 9, 1964, that related rates on these products were made effective to and from official territory.

Although the rate changes since January 1, 1966, are readily discernible in transcontinental rates covering paper bags, printing paper, and wrapping paper, the following significant occurrences warrant mention:

(1) The rate adjustments made effective April 15, 1966, on paper bags at minima 50,000 and 70,000 pounds to group D and west, except J, followed the downward adjustment of the long-haul scales within Docket No. 28300 territory and its extension to Salt Lake City for application to paper bags (only) when moving into WTL territory. The carriers considered that no adjustment was needed at lower carload minima.

(2) The rates on printing paper at minima 36,000, 50,000, and 70,000 pounds were returned to the lower wrapping paper level effective January 1, 1970 to other than groups H and J. Also effective on this date common rates at carload minimum 90,000 pounds were established, for the first time, to all rate groups on wrapping paper and printing paper. Rates to group D and west, excluding group J, reflected the bag rates at minimum of 70,000 pounds. Groups A and K were made 120 percent of group D; groups B and L 110 percent of group D, with group C and subgroups reflecting 105 percent of group D, plus 1 cent. To group J the rate reflected 81 percent of group D. To group J and to the East and South at minimum 90,000 pounds rates were made on the wrapping-printing papers level, thereby encouraging mixed shipments of bags with the other products similarly treated.

(3) Rates to and from (also within) the South were continuously held at the 6-percent level on all paper products as well as most other products from the inception of the Ex Parte No. 267 series of general freight rate increases. Effective during January-February 1962, the increase from 8 percent to 12 percent permitted under Ex Parte No. 267-B was rolled back to 6 percent on all paper products rates (except newsprint) to and from the East; this rollback was limited to rates subject to a carload minimum of 50,000 pounds and higher minima.

(4) Effective during the first quarter of 1974, additional incentive rates were made available for wrapping paper at carload minima 120,000 and 140,000 pounds, depending on car size.

(5) To group D and west, except J, the added 40,000 pounds rates along with reduced 50,000-pound rates portrayed effective June 15, 1974, for bags and printing paper and August 15, 1974, for wrapping paper, were initially established by the transcontinental rail lines to apply in both directions. The carriers' stated purpose was to arrest and reverse the tonnage erosion to competing for-hire specialty highway carriers of these and certain other paper products included in the adjustment. This action was later joined in the eastern railroads (February 15, 1975) and finally by the southern carriers, but at only the 50,000-pound level.

(6) A new incentive scale (120,000 pounds in 50-foot cars and 140,000 pounds in 60-foot cars) was established on printing paper and paper bags. These incentive rates were made on the same level as the wrapping paper rates earlier established.

Pulpboard.—The very important single observation is the tremendous progress achieved during the period in the development of incentive rates at increasing carload minima to the benefit of both shippers and carriers.

Groundwood paper.—With limited minor exceptions to group J, the rates on groundwood paper to the various rate groups are the same as for printing paper at all carload minima.

Part I (B) 4: Canadian newsprint industry and rate structure

In 1945 the Canadian newsprint industry faced limited competition in the United States except from a few mills in the Northeastern United States. The Eastern United States was based, as the Canadian industry was, on the northern soft woods, spruce and balsam. As these were consumed and ran out, many of the newsprint operations in the United States changed to other, more profitable papers. However, there were wide sources of softwood fiber available in the Southern United States. As in the case of many products, technology eventually found a way to produce a very acceptable newsprint from the southern softwood resources. On this technological breakthough, the United States started in the 1940's to expand newsprint productive capacity. Annual production for Canadian mills is about 9.5 million tons while for U.S. mills the production is about 3.5 million tons.

The Canadian share of the U.S. market after 1945 was 80 percent and in 1974 was down to 66 percent. The U.S. producers are taking over the markets in the southern and central parts of the U.S. as well as along the border area between the North and the South. The table below shows comparative Canadian and U.S. data on newsprint capacity, production, exports, imports, and demand for the years 1970 through 1974.

TABLE 40

Area		1970	1971	1972	1973	1974p
					(thousands of tons)	
Canada	Capacity	9,845	10,240	10,300	10,337	10,038
	Production	8,719	8,455	8,820	9,140	9,548
	Exports	7,988	7,641	8,120	8,340	8,711
	Demand	717	721	781	859	886
United States	Capacity	3,533	3,642	3,694	3,819	3,771
	Production	3,464	3,476	3,636	3,678	3,48'
	Exports	144	166	145	97	188
	Imports	6,477	6,463	6,758	7,236	7,162
	Demand	9,793	9,770	10,287	10,832	10,539

Source: Newsprint Data: 1974. Published by the Canadian Pulp and Paper Association, July 1975.

According to the 1972 1-percent waybill sample, about 32 percent of the domestic rail shipments came from the South with western production vying for second place.

TABLE 41

	Carloads of newsprint, 1972[1] STCC 2621— 1 percent sample	
	Carloads	*Percent*
United States to United States	320	100
Official to Official	64	20
Southern to United States	104	32
Southwestern to United States	57	18
Mountain Pacific to United States	95	30
Mountain Pacific to Mountain Pacific	94	

[1] From Statement TD-1, 1972 U.S. Department of Transportation.

The current railway freight rate structure governing the movement of newsprint from the Eastern Canadian mills in the Grand Mere and related group to destinations in the United States was established in 1934 in *Newsprint Paper Investigations, supra,* and in (Canadian) Board of Railway Commissioners' Order No. 50913, dated April 5, 1934. In the *Newsprint Paper Investigation, supra,* p. 777, the Commission stated that international rates from Canadian origins to destinations in the United States should be fairly related to rates from competing producing origins in the United States. Subsequent to the findings in the above cases, the carriers joined in the filing of tariffs from origins in Canada to destinations in the United States, as well as rates from origins in the United States to the same destinations.

The relative levels of rates established following the above decisions were (1) from the Grand Mere group to WTL and New England territories, at rates of 3 cents to 5 cents per 100 pounds higher for equivalent mileages than the rates from the New England mills; (2) from the Grand Mere group to central territory, a basic rate of 42 cents per 100 pounds to Chicago with other points based on percentage over or under the Chicago rate, depending upon the location in relation to Chicago. The general effect of the rate scale was to produce approximately the same levels as established to WTL and New England territories.

The arbitraries over the Grand Mere group rates from other Eastern Canadian origin points are related to the rates from the Grand Mere group and were originally established voluntarily by the carriers. By order of the Board of Railway Commissioners' Order

No. 50913, these arbitraries were prescribed and, not until August 28, 1951, were the horizontal percentage increases applied to these arbitraries. Thus, there has been a long-established origin grouping, including mills related by these arbitraries, over the rates from the Grand Mere group.

Shown below are rates from the Grand Mere group to selected points in the United States.

Table 42

Eastern Canadian Newsprint Producers examples of general increases applied to Newsprint—incentive rates

Ex Parte Case No.	Final Effective Dates	Millinocket, Me. To New York, N.Y. 542 Miles (674 Ms. Via Canada) Carload Min. 100M Lbs			Grand'Mere Group To New York, N.Y. 482 Ave. Miles Carload Min. 100M Lbs			Grand'Mere Group To A Point in Off. Terr. 542 Miles Carload Min. 100M Lbs			S.F.A. To A Point In Official Territory 542 Miles Carload Min. 100M Lbs			S.W.L To A Point In Official Territory 542 Miles Carload Min. 100M Lbs			Within S.F.A. 542 Miles Carload Min. 100M Lbs			Excess of 100M Lbs.		
		% Inc.	¢ per cwt	$ per N.T.	% Inc.	¢ per cwt	$ per N.T.	% Inc.	¢ per cwt	$ per N.T.	% Inc.	¢ per cwt	$ per N.T.	% Inc.	¢ per cwt	$ per N.T.	% Inc.	¢ per cwt	$ per N.T.	% Inc.	¢ per cwt	$ per N.T.
Base Rate			66[1]	$13.20		71[1]	$14.20		78[2]	$15.20		71[1]	$14.20		71[1]	$14.20		57[2]	$11.40		33[3]	$ 6.60
X - 256	Aug. 19/67	2¢	68	13.60	2¢	73	14.60	2¢	78	15.60	2¢	73	14.60	2¢	73	14.60	1¢	58	11.60	1¢	34	6.80
X - 259	Nov. 28/68	5%	71	14.20	5%[4]	77	15.40	5%[4]	82	16.40	5%	77	15.40	5%	77	15.40	5%	61	12.20	5%	36	7.20
X - 262	Nov. 18/69	6%	75	15.00	6%	82	16.40	6%	87	17.40	6%	82	16.40	6%	82	16.40	6%	65	13.00	6%	38	7.60
X - 265	Nov. 20/70	6%	80	16.00	6%	87	17.40	6%	92	18.40	6%	87	17.40	6%	87	17.40	6%	69	13.80	6%	40	8.00
X - 267	June 17/71	8%[5]	86	17.20	8%[6]	94	18.80	8%[6]	99	19.80	6%	92	18.40	6%[7]	92	18.40	3%	71	14.20	3%	41	8.20
X - 281	Oct. 23/72	3%	89	17.80	3%	97	19.40	3%	102	20.40	3%	95	19.00	3%	95	19.00	—[8]	—		—[8]	–	–
X - 295-A	Aug. 19/73	3%	92	18.40	3%	100	20.00	3%	105	21.00	3%	98	19.60	3%	98	19.60	3%	73	14.60	3%	42	8.40
X - 299-A	Mar. 16/74	2.8%	95	19.00	2.8%	103	20.60	2.8%	108	21.60	2.8%	101	20.20	2.8%	101	20.20	2.8%	75	15.00	2.8%	43	8.60
X - 303	Mar. 9/74	4.0%	99	19.80	4%	107	21.40	4%	112	22.40	4%	105	21.00	4%	105	21.00	4%	78	15.60	4%	45	9.00
X - 306	June 20/74	3.3%	102	20.40	3.3%	111	22.20	3.3%	116	23.20	3.3%	108	21.60	3.3%	108	21.60	3.3%	81	16.20	3.3%	46	9.20
	July 5/74	10%[10]	112	22.40	10%	122	24.40	10%	128	25.60	—[9]	—	–	10%[10]	119	23.80	—[9]	–	—	—[9]	–	–
X - 310	April 27/75	7%	120	24.00	7%	131[11]	26.20	7%	137[11]	27.40	7%	116	23.20	7%	127	25.40	—[8]	–	–	—[8]	–	–
X - 313	June 20/75	5%	126	25.20	5%	138	26.60	5%	144	28.80	—[9]	–	—	5%	133	26.60	—[8]	—	—	—[8]	–	—
X - 313	Oct. 11/75	2.5%	129	25.80	2.5%	141	28.20	2.5%	148	29.60	2.5%	119	23.80	2.5%	136	27.20	2.5%	83	16.60	2.5%	47	9.40

[1] 85% of 40,000 lb rate at X-223 level

[2] 85% of 50,000 lb rate at X-223 level

[3] 49% of 50,000 lb rate at X-223 level

[4] From Eastern Canada to Official Territory effective date January 10, 1969 because of tariff publication difficulties

[5] From Millinocket, Me. to New York—final effective date - February 1, 1972

[6] From Grand'Mere Group to New York, N.Y. of Official Territory—final effective date - July 7, 1971

[7] From SWL to Official Territory—effective date - July 20, 1972

[8] No increase applicable within S.F.A.

[9] No increase applicable from, to or within S.F.A.

[10] Effective June 20, 1974.

[11] From Grand'Mere to New York effective June 17, 1975

TARIFF AUTHORITIES:

Millinocket to N.Y.: BAR 1820-C, CTC (F) 1333, ICC 3284
Grand'Mere to N.Y. and Off: CFA 660-A, CTC (F) 1894, ICC 341
SFA to Official Ter: SFTB 887-E, CTC (F) S-241, ICC 864
SFA to SFA: SFTB 887-E, CTC (F) S-241, ICC 864
SWL to Official: SWL 205-D, CTC (F) 819, ICC 4067

It should be noted that the rates from the Grand Mere group to southern and southwestern territories are constructed on combinations over southern and southwestern gateways plus the APPA long-haul newsprint scale for beyond.

Because of the location of the newsprint mills, the remaining rate displays deal with representative rates from southern territory, which uses the APPA long-haul newsprint scale. Preliminarily, it is noted that rates on newsprint in official territory are on a generally recognized basis established at 110 percent of docket No. 15879 rates, appendix, class 25, 40,000-pound minimum, and subject to the eastern general increases. Additionally, there are heavier loading rates at 100,000 pounds at 85 percent of the 40,000-pound minimum.

Newsprint rates from SFA territory producing points to southwestern territory are published on a point-to-point basis at 40,000- to 50,000-pound minimum weights and also on a scale basis at minimum weights of 100,000 and 120,000 pounds; lower excess rates are also published on tonnage loaded in the same car in excess of 120,000 pounds. The rates for the lower minimum weights reflect the I. and S. No. 5392 basis as do the higher weights, which are a percentage relationship to the lower minimum weights. The following table shows the present rates at the Ex Parte No. 310-A level. It also shows the rates of 40,000- and 50,000-pound minima which reflect the basis observed in establishing point-to-point rates from southern producing origins to southwestern destinations.

TABLE 43

Rates at X-310-A level

Docket No. 28300 miles	Columns					
	(1)	(2)	(3)	(4)	(5)	(6)
	40M	50M	100M	Excess	120M	Excess
100	57	48	34	28	33	27
200	64	57	49	39	47	37
300	80	73	64	46	59	44
400	98	89	78	58	74	56
500	117	103	91	70	87	66
600	127	116	98	76	93	71
700	143	127	111	82	105	79
800	155	136	122	92	116	88
900	166	146	126	96	121	91
1,000	172	155	135	100	127	94

Present rates on newsprint from southern producing points to VTL zone 1 and Illinois Freight Association are published on a cale basis at minimum weights of 40,000, 50,000, 100,000, and 20,000 pounds. In addition, rates are published to Atchison and .eavenworth, Kans., and points in Missouri, in connection with ertain individual carriers, subject to minimum weights of 100,000 o 120,000 pounds. The table below shows representative rates at he Ex Parte No. 310-A level from southern producing points to VTL zone 1 and IFA territories.

TABLE 44

Rates at the X-310-A level on newsprint paper from southern producing points to points in WTL (zone 1) and IFA territories

Docket No. 28300 miles	(1) 40M	(2) 50M	(3) 100M	(4) 120M	(5) 100M[1]	(6) Excess[1]	(7) 120M[1]	(8) Excess[1]
00	48	44	37	36	35	29	34	28
00	66	58	55	51	51	40	51	39
00	82	75	72	66	66	47	61	45
00	103	91	82	79	80	59	76	57
00	121	107	94	90	93	73	89	68
00	132	120	107	98	103	78	95	74
00	149	131	120	119	114	86	109	81
00	161	140	126	120	125	94	119	90
00	179	153	133	126	131	98	125	93
,000	177	161	142	135	138	104	132	96

[1] Applicable only to Atchison and Leavenworth, Kans. (and points taking same basis in National ate Basis), and points in Missouri (and points taking same rates in National Rate Basis) (except ansas City, Mo.) located on AT&SF, CRI&P, KCS, MKT, MoPac or StLSF named in WTL Tariff /S-1001-A, ICC A-4743.

Rates are shown below on newsprint from southern territory to tations not included in WTL zone 1. These are published on a scale asis subject to minimum weights of 40,000, 100,000, and 120,000 ounds per car with scale rates also published for weight in excess of 00,000 and 120,000 pounds in the same car.

TABLE 45

Newsprint rates from southern producing points to western trunkline territory (except zone 1)

(see Note)

(RATES IN CENTS PER 100 POUNDS, INCLUDE X-310-A)

Docket No. 28300 miles	(1) 40M	(2) 100M	(3) 120M	(4) 100M[1]	(5) Excess	(6) 120M[1]	(7) Excess
100	66	56	52	35	29	34	28
200	86	78	74	51	40	48	39
300	103	89	85	66	47	61	45
400	114	100	94	80	59	76	57
500	125	109	103	93	73	89	68
600	138	121	114	103	78	95	74
700	155	133	126	114	86	109	81
800	165	142	135	125	94	119	90
900	177	156	149	131	98	124	93
1,000	192	166	157	138	104	132	96
1,100	197	172	164	153	113	142	108
1,200	208	182	172	154	114	145	109
1,300	219	193	179	162	122	153	116
1,400	233	203	195	166	125	157	119
1,500	243	212	202	170	127	162	121

[1] Applicable only to stations in Kansas (other than Atchison, Kansas City, and Leavenworth) located on the AT&SF, KCS, MKT, MoPac or StLSF named in WTL Tariff W/S-1001-A, ICC S-4743.

Note: (a) Rates subject to an additional charge of 6 1/2 cents per 100 pounds.

(b) Rates in columns (2), (3), (4), (5), (6), and (7) not subject to rule 24 of UFC or exceptions thereto.

(c) Rates in columns (2) and (3) not subject to stopping in transit arrangements to partially load or unload.

(d) Rates in columns (4), (5), (6), and (7) not subject to transit privileges, except at Augusta, Ga., and Birmingham, Ala.

Authority: SFTB F.T. 887-E, ICC 864.

There are no scale rates on newsprint from SFA to official territory. The only applicable rates are specific point-to-point rates subject to minimum weights of 40,000 pounds, 100,000 pounds in cars not exceeding 42 feet in length, tail-end minimum 95,000 pounds, and 120,000 in cars over 42 feet but less than 52 feet. The bases generally observed are:

(1) *40,000 pounds.*—110 percent of docket No. 15879 appendix "E" class 25 rates prior to X-123, thence increased under X-123 (10 percent); X-162 (22 1/2 percent); X-166 (25 percent); X-166 (9 percent); X-175 (15 percent); X-196 (6 percent); X-206-A (12 percent); X-212 (no increase), plus X-223-A and additional ex parte increases.

(2) *100,000 and 120,000 pounds.*—85 percent of the 40,000-pound rates at the X-223 level thence increased under subsequent ex parte increases. Not subject to rule 24 of the Uniform Freight Classification or exceptions thereto.

The table below shows representative newsprint rates on the above bases.

TABLE 46

Rates in cents per 100 pounds, include X-310-A increase

Docket No. 28300 miles	Southern to official territory[1]		
	40M	100M	120M
100	70	57	54
200	90	78	74
300	104	89	85
400	125	107	98
500	138	120	113
600	142	122	116
700	164	138	132
800	173	152	140
900	192	162	153
1,000	196	166	157

[1] Rates reflect basis observed in establishing rates from southern territory to official territory on a specific point-to-point basis.

The Anglo-Canadian papermills represented in this proceeding are substantially the same parties as the complainants in docket No. 35265, *Anglo-Canadian Pulp & Paper Mills, Ltd.* v. *A&RR Co.*, 351 I.C.C. 325 (1975). Therein, complainants alleged that joint international rates on newsprint and groundwood paper from eastern Canada to points in the United States were unlawful in violation of sections 1(5) and 3(1)[5] of the Interstate Commerce Act. While complainants' shipments of newsprint to the United States increased from 2,165,000 tons in 1963 to 2,657,000 tons in 1972, their relative share of the U.S. market declined from 29 percent in 1963 to 26.2 percent in 1972. Complainants alleged that this decline was due to inequities in the freight rate structure.

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[5] Complainants also alleged violations of sections 1(6) and 15(a)(2) of the act but did not pursue these allegations at the hearing, on brief in the initial decision, or on exceptions thereto.

Complainants' principal evidence consisted of rate comparisons. These comparisons were made by treating the Grand Mere origins as a group, using average mileages from the original (1934) mill locations adapted to reflect docket No. 28300 data and abandonment of certain rail lines and historic gateways. No adjustments were made to reflect off-track delivery and unloading allowance ($2.50 and $0.50 per net ton, respectively) available to complainants (but not from mill origins in southern territory) to official territory.

Complainants compared, in dollars per ton, newsprint rates at incentive levels to, from, and between various ratemaking territories based on distance scales at 50-mile increments. As indicated therein, rates on newsprint from the Grand Mere group are generally the highest of any level, distance considered, applicable to or within the various territories. Complainants next comparisons focused on 13 destinations in official territory known to be high-volume consuming points. Complainants compared newsprint rate levels in dollars per 2,000-pound ton, cents per ton-mile, and dollars per car-mile from the Grand Mere group with those rates from other mills in the United States and Canada. This comparison also indicated that complainants pay higher charges on a ton-mile and car-mile basis.

Finally, complainants compared their average charge in dollars per ton, cents per ton-mile, and dollars per car-mile with an average charge paid on shipments of newsprint moving during 1973 from mills at Herty and Sheldon, Tex., and Catawba, S.C., and Calhoun, Tenn. That comparison allegedly showed that complainants, who had the longest short-line haul, were charged the highest amount per net ton, the second highest amount per ton-mile, and the median amount per car-mile.

The Administrative Law Judge stated that complainants, in making rate comparisons to prove section 1(5) violations, must show that circumstances and conditions affecting transportation performed under both the assailed and compared rates are so substantially alike that, levelwise, the former should be fairly related to the latter. Additionally, the record must provide a data base sufficiently precise to enable the Commission to prescribe a fair relationship or to require adjustments in rates for the future. Measured against the above standards, the Administrative Law Judge found the complainants' rate comparisons to be materially deficient for the following reasons.

Regarding complainants' groundwood paper shipments, the Administrative Law Judge concluded that while certain characteristics in comparison to newsprint were of record, other significant factors such as frequency and average weight and length of haul per shipment, marketing conditions, level of motor competition, et cetera, were not addressed by complainants.

In respect to the newsprint shipments, various factors critical to complainants' case were missing or deficient in discharging the burden of proof. The mileage scale comparisons were found to be of little value absent other evidence indicative of actual traffic patterns and tonnage moved. In fact, complainants recognized that on some of the compared domestic interterritorial rates little or no newsprint traffic moved. Traffic-related rate/mileage comparisons compared distance-based rates, which apply from individual mill origins in midwestern Canada and the United States to specific destinations in official territory, with a common rate (based on average mileage) applicable from all mills in the Grand Mere group, thus disregarding the Commission's findings in other similar cases that rates on a group basis are not properly comparable to rates structured on a straight mileage scale. Further, the use of average mileages tended to minimize significant mileage disparities in the Grand Mere group; these disparities ranged from 88 to 291 miles for the 13 representative destinations.

Complainants failed to submit rate-comparison data for the arbitrary mills. Inclusion of these mills would have shown ton-mile earnings that would have favorably compared with the domestic ton-mile earnings. Also omitted from the rate comparisons where any data relative to movements under the lower point-to-point water competitive rates which were not assailed.

Finally, comparisons of average-weighted charges for complainant mills and those in Texas, South Carolina, and Tennessee were found to be so generalized concerning circumstances under which the compared movements were performed as to be virtually valueless for purposes of determining the reasonableness of particular rates under section 1(5).

On the section 3(1) issue, the Administrative Law Judge found that complainants had established a difference in rates between the allegedly prejudiced and preferred points. Complainants also failed to adjust their presentation to compensate for: complainants' multiline service as compared with single-line service for mills in the Southern and Southwestern United States; the 24-hour loading and unloading rule for the southern and southwestern mills in contrast to complainants' 48-hour period; and off-track delivery and unloading allowances of $2.50 and $0.50 per net ton respectively, applicable for shipments to official territory from complainants' mills but not available to the southern and southwestern mills. Finally, the issue of damages was inconclusive since complainants' decline of market share largely occurred in the South, a virtually inevitable result with expansion of the newsprint industry in the South.

On exceptions, division 2 concluded that the initial decision was correct in its conclusions and findings. Discussing the section 1(5) issue, division 2 analyzed rate comparisons for the Grand Mere/arbitrary mills, inasmuch as rates from the arbitrary mills were the subject matter of the complaint and since the arbitrary mills made up more than 40 percent of the total capacity of the Grand Mere/arbitrary mills. The division further considered water-compelled rates which moved about 30 percent of the newsprint traffic to points in official territory which can be reached by water. Within this framework, it found hundreds of rates in which the Grand Mere/arbitrary mills suffered no rate disadvantage, distance considered, when shipping to specific United States destinations. A comparison of complainants' transportation charges with those of competing mills in the South and Southwest disclosed that no uniform patterns of rate levels exist; complainants' rates were sometimes higher, sometimes lower, and in other instances about the same. Complainant's argument that newsprint rates were unjust and unreasonable when compared to the allegedly lower rates for paper and paper articles was rejected with data that reflected lower newsprint rates afforded complainants (for distances over 900 miles) than corresponding rates for paper and paper products to New England and trunkline territories and usually lower newsprint rates to central territory.

Groundwood paper comparisons by complainants were also found deficient since complainants' newsprint rates were compared vis-a-vis groundwood paper rates available elsewhere and not their newsprint rates vis-a-vis their groundwood paper rates. Additionally, complainants' shipments require multiline service whereas their competitors in the South in many instances use single-line service and apply rates to meet truck competition.

Division 2 also dismissed complainants' allegations of section 3(1) violations, citing criteria enumerated in *Fresh Meats, Ill., Ind.,* *Ky., Ohio & Mo. to Points in Fla.*, 318 I.C.C. 5, 10 (1962), iz: (1) that a difference in the level of rates exists in favor of the preferred points; (2) that the difference in rates is not justified by the transportation conditions; (3) that there is a carrier or group of carriers which is the common source of the rate prejudice and which effectively participates in both the prejudiced and the preferred traffic; and (4) that the prejudiced party or parties suffer actual or potential injury. The evidence of record was then evaluated against these criteria.

Division 2 agreed with the Administrative Law Judge that the existence of a rate disparity was speculative. Additionally, transportation conditions were found to differ in the South, where complainants' primary competitors are located, because the rates from southern mills were developed to meet truck and barge competition and because the majority of the South's point-to-point newsprint rates have available single-line routing as contrasted with complainants' multiline routing. Finally, it was stated that complainants did not prove damages. Although the data revealed that complainants lost their relative market share, most of the loss occurred in the South, which is the natural market area for the southern mills. In spite of this factor, complainants' mills have maintained their ability to reach those markets at existing rate levels. Complainants' decline of participation in the U.S. market, then, was the result of factors other than the allegedly prejudiced rail rates.

Witness Dusto's exhibit 7 in this proceeding is the same version (except for delivery-increment adjustments) as table 4 in the complaint proceeding. 351 I.C.C. 325, 356. Exhibit 8 updates six of the exhibit 7 rates displays from the Ex Parte No. 267-B level to the Ex Parte No. 313 level. However, these rate displays, which attempt to compare the rate structures of the Eastern Canadian newsprint producers with those of their competitors by distances, suffer the same deficiencies as found in the complaint case above. Other exhibits tabulating the general increases, are similarly deficient in their rate comparisons. Accordingly, because the underlying bases of these rate displays have been considered in the above complaint case and found to be invalid rate comparisons, they need not be further considered herein.

Part I(C): Cost evidence and revenue comparisons

1. Special Projects Staff (SPS)

SPS' procedures in general.—SPS' statement included a series of charts, depicting revenue, variable cost and tonnage relationships on territorial movements of specific paper and paper products. The following eight major commodity groups, identified by their Standard Transportation Commodity Codes (STCC) and SPS numbers, were studied: STCC 26211 (SPS 57)—Newsprint Paper; STCC 26212 (SPS 58)—Groundwood Paper; STCC 26213 (SPS 59)—Wrapping Paper and Paper Bags; STCC 2631116 and STCC 2631121 (SPS 61)—Pulpboard, Other than Corrugated; STCC 2631115, STCC 2631120, and STCC 2631125 (SPS 62)—Pulpboard, Corrugated; STCC 26471 and STCC 26472 (SPS 63)—Sanitary Paper Products; STCC 26511 (SPS 64)—Pulpboard Boxes or Containers. The territorial movements of these eight major commodity groups are shown in the following table with SPS 61 and SPS 62 grouped together.

The basic source of the revenue and traffic data for the SPS study is the 1-percent waybill sample studies for the years 1966 (ICC compiled) and 1972 (Department of Transportation compiled). These waybill studies, initiated by the ICC in 1946 and transferred to DOT in 1967, contain data on traffic flow relevant to carload freight movements. The basic source of the cost data is the Commission's Rail Form A unit costs for 1966 and 1972. These unit costs were published in two separate Commission Statements, Statement No. 9-66, "Rail Carload Cost Scales by Territories for the Year 1966," and Statement No. 1C1-72, "Rail Carload Cost Scales 1972."

TABLE 47

MAJOR TRAFFIC FLOWS BY COMMODITY GROUPS AND TERRITORIAL MOVEMENTS FOR STUDY YEARS 1966 AND 1972

(1) *SPS Commodity Group 57—Newsprint Paper*
    (a) Mountain Pacific to mountain Pacific
    (b) Southern to southern
    (c) Southwestern to southwestern
    (d) Official to official
(2) *SPS Commodity Group 58—Groundwood Paper*
    (a) Official to official
    (b) Southern to official[1]

See footnote at end of table.

TABLE 47

MAJOR TRAFFIC FLOWS BY COMMODITY GROUPS AND TERRITORIAL MOVEMENTS FOR STUDY YEARS 1966 AND 1972—Continued

(3) *SPS Commodity Group 59—Printing Paper*
  (a) Official to official
  (b) Official to southern
  (c) Southern to official
  (d) Western trunkline to western trunkline
  (e) Western trunkline to official
(4) *SPS Commodity Group 60—Wrapping Paper*
  (a) Official to official
  (b) Southern to official
  (c) Southern to southern
  (d) Mountain Pacific to mountain Pacific
  (e) Southwestern to official
  (f) Southwestern to southern
(5) *SPS Commodity Groups 61 & 62—Pulpboard*
  (a) Official to official
  (b) Southern to southern
  (c) Southern to official
  (d) Mountain Pacific to mountain Pacific
(6) *SPS Commodity Group 63—Sanitary Paper*
  (a) Official to official
  (b) Official to southern
  (c) Southern to southern
  (d) Southern to official
  (e) Mountain Pacific to mountain Pacific
  (f) Western trunkline to western trunkline
(7) *SPS Commodity Group 64—Paperboard Boxes*
  (a) Official to official
  (b) Southern to southern
  (c) Western trunkline to western trunkline
  (d) Southwestern to southwestern[1]

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[1] 1972 study year only.

Each of the territorial commodity flow charts submitted by SPS contains "bars" showing the average load in tons for various short-line mileage blocks. In addition, each chart contains one revenue line and three cost lines.

The revenue line indicated as a broken line depicts the average line-haul revenue derived from the 1966 and 1972 1-percent waybill samples and represents the average revenue accruing to the railroads on the traffic handled during the 2 respective years over short-line tariff distances. The average revenue line was developed for each commodity and territorial movement by plotting the revenues per car from the waybill samples on a graph. These revenue points (movements) were in turn fitted to a smooth line using least-squares regression techniques.

The three cost lines (all solid) represent the variable costs per hundredweight at varying short-line distances. The three lines were obtained simply by drawing a line between the "total implicit costs" at zero miles and the "total movement costs" for a given short-line mileage distance. The "total implicit costs" consist of the terminal, interchange, way train, and loss and damage costs. The "total movement costs" consist of the "total implicit costs" *plus* the through train costs per hundredweight mile. The only difference in the three solid cost lines shown in each chart is traceable to the amount of interchange cost included in the "total implicit costs." In the upper solid cost line or the so-called upper confidence limit,[6] the "total implicit costs" includes the highest number of interchanges as well as the highest number of miles that might be incurred in a given territorial movement of a commodity. In the lower cost line, or the so-called lower confidence limit, the lowest number of interchanges and the lowest number of miles that might be incurred is included in the "total implicit costs." The center solid line, or the so-called mean line, merely reflects the costs for an average number of interchanges associated with an average haul. In the opinion of SPS it is this mean line which is significant.

Essentially these charts reflect for each commodity and territorial grouping shown, the revenues and costs of an *average* movement as developed from the 1-percent waybill samples for each of 2 years, 1966 and 1972.

SPS indicates that the variable cost lines for each of the territorial commodity flows, shown in its exhibit 12, were computed based on a computer program developed by the Commission's Bureau of Accounts for applying Rail Form A unit costs. This program was reportedly modified to meet SPS requirements.

In addition, SPS states that there were five areas in which they attempted to quantify for each of the traffic flows, the service units and the related costs: (1) number of interchanges, (2) calculation of mileage, (3) freight car costs, (4) "lead and trailer" shipments, and (5) assigned cars. These items are discussed below.

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[6] A confidence limit is a statistical measure of the mean variance which, based on probability theory, places a point equidistant on both sides of the mean value. In simplest terms, if many random samples of the subject population were taken then some proposition of the observation would lie between the high and low confidence limits. In SPS' measurement of the service units, it has used a 95-percent level of confidence.

SPS' FIVE COST CONSIDERATIONS

(a) *SPS' number of interchanges.*—SPS is critical of the Rail Form A method of accounting for interchanges, which it assumes to be based only on an interchange cost per car-mile for each region. This criticism is based on an investigation by SPS of interchanges associated with paper traffic, which indicated that the number of interchanges did not statistically relate to mileage. It is SPS' contention that interchange service unit cost, by railroad cost region, should be applied on an incidence basis instead of at a constant mileage rate.

Therefore, SPS developed interchange costs based on a study (see statement of Aqueel Khan) of the average number of interchanges associated with each of the territorial commodity flows of paper and paper products. The costs of the average number of interchanges for each of the territorial commodity flows were included in the "total implicit costs" in each flow chart at zero miles.

Moreover, SPS criticizes the interchange costing procedures utilized in the "Burden Study"[7] of equally splitting mileage operated within two cost regions and applying regional interchange costs on a mileage basis to each.

(b) *SPS' calculation of mileage.*—SPS developed for the subject commodities the average number of miles within each of the applicable cost regions. This was accomplished by sorting the 1-percent waybill file into a State-to-State mileage matrix according to the origin and destination rate territory. From this matrix, SPS determined the proportion of mileage that occurred within each railroad cost region within each rate territory. These proportions (percents), in turn, were used to compute the mileage splits between the railroad cost regions for each territorial commodity flow.

SPS argues that this procedure contrasts with the Burden Study method of splitting the miles 50-50 between the origin and destination cost regions. This latter method results in the line-haul costs being apportioned on the basis of the 50-50 mileage split.

(c) *SPS' freight car costs.*—Based on the 1972 1-percent waybill sample, SPS determined the predominant car types used in each of the eight commodity groups studied. Car costs, based on Rail Form A unit costs, were then developed for these specific-type cars.

SPS states that it was their original intention to replace Rail Form A car costs with daily per diem and mileage rates as published in the

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[7] "Rail Revenue Contribution by Commodity and Territory for the Year 1972," Statement IS3-72.

Association of American Railroads' UMLER[8] file. The use of daily per diem and mileage rates of the actual cars providing the service would have given a more realistic picture of the car costs. However, data processing resources reportedly did not permit SPS to complete such a study.

SPS states that although it was unable to make such a study it has nonetheless presented a detailed discussion (the statement of Donald Boland) of several alternatives available to the Commission in developing car cost in lieu of the single average car ownership costs as currently developed in the Rail Form A.

For example, one such method involves determining the mean car-hire rates for specific commodity territorial flows. It is SPS' contention that car costs based on this method are probably more representative of the car cost incurred by a commodity than those developed under the Rail Form A methodology. SPS further suggests that car ownership costs could be more representative if costs were developed for a more discrete group of cars.

In addition, SPS has several other suggestions. They are, in brief:

(1) Analyses should be performed to determine variances between the computation of the formula-developed car costs and the car-hire rates.

(2) The Commission should consider using car-hire rates (adjusted as found necessary in (1) above) to provide more precise cost information, either through modification of the cost formula itself or through the provision of supplemental data allowing adjustment of formula-derived costs when specific car information is available.

(3) As a minimum, car ownership costs could be more representative if segregated between boxcars and all other cars.

(4) The rationale for the exclusion of net incentive per diem from the cost scales should be reviewed to determine if the burden should be shifted from the debit (using) railroads to the shippers that require the cars which have been determined to be in short supply.

(d) *SPS' lead and trailer shipments.*—In addition to the movements shown in its exhibit 12, SPS also submitted charts for "lead and trailer shipments." SPS attests that revenue shipments of this type require a modified costing technique in order to accurately portray the costs. The key characteristic of such shipments is that two cars are used, hence the term, lead and trailer. The lead car is loaded to full visible capacity and the trailer car carries the overflow. Generally, both cars are loaded, waybilled, moved to destination, and unloaded as if they were a single-car movement. Thus, for operational and revenue purposes, a lead and trailer shipment is treated as a single car. Costing this type of shipment presents problems because the service units provided are neither those of a single car nor equivalent to those of two cars. These problems involve certain elements of cost such as switching time, interchange time, intertrain and intratrain switching time, and loading and unloading time. In the case of lead and trailer shipments charts were prepared only for two commodities for the study year 1972. These two commodities were:

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[8] Universal Management Language Equipment File. This is a listing of railroad cars by car type.

(1) Sanitary Paper Products—Commodity Group 63:
    (a) Mountain Pacific to mountain Pacific
    (b) South to official
(2) Paperboard Boxes or Containers—Commodity Group 64:
    (a) Official to official

The territorial commodity flow charts submitted by SPS for these two commodities contain frequency distribution bars representing the average load in tons for various short-line mileage blocks. In addition, each chart contains one revenue and one cost line. The revenue line (broken line) was developed as described above for the major traffic flows. The cost line (solid) represents the variable costs per hundredweight at varying short-line distances.

The adjustments made by SPS purport to represent the savings of having two cars handled simultaneously. These adjustments are:

(1) Origin and destination terminal costs were computed as 75 percent of the cost of two separate moves.

(2) Interchange costs were computed at 75 percent of the cost of two separate moves.

All other cost factors were made on a per-car basis. These adjustments were not supported by time and motion studies.

(e) *SPS' assigned cars.*—SPS developed the percent of equipment in assigned service by SPS commodity and territorial flow (see table 7, page 31, witness Mehling). The values shown in this table were used in the cost profiles (charts) to reflect the percentage of cars having approximately 100-percent empty-return ratios.

SPS points out that railroads generally assign cars to a particular service because they expect the turnaround will be better than average. Thus, if assigned cars are turning over loads at a higher rate than could be achieved by relying on normal car supply sources, the variable costs associated with assigned cars are lower.

SPS is critical of Rail Form A conventions where specific information on loading, transit time, et cetera, is absent. These conventions, SPS contends, neutralize car cost characteristics that otherwise would and should be associated with the carriage of particular traffic in order to more accurately compute the cost of its carriage.

SPS also alleges that the circuity factors used by the Commission's Section of Cost and Valuation are considerably understated. The reasons for this understatement are allegedly twofold—first, changes in the rail structure caused by line closings since the most recent circuity study was performed (some 10 years ago) and secondly, the ton-miles used in Rail Form A and the ton-miles reflected in the 1-percent waybill sample are so dissimilar that one should question the validity of all ton-mile figures in the development of service unit costs.

For the above-discussed reasons and contentions, therefore, SPS avers that the costs shown on their cost profile charts are understated.

RESULTS OF SPS' REVENUE AND COST PROFILES

The table below is a summary of the data contained in its commodity flow charts. This table shows for each of the eight commodity groups studied, the number of sample carloads, the average tons handled per car, the average number of miles traveled per car, the average revenue per car (in cents), the average variable cost per car (in cents), and the resulting revenue contribution per car (in cents).

TABLE 48

Summary of SPS' territorial commodity flow charts

AVERAGE MILEAGE, REVENUE, COSTS, AND CONTRIBUTION RELATIONSHIPS 1972 - 1966

Year	Origin	Destination	SPC Commodity Group	Sample carloads	Tons/car	Miles/car	Revenue/car	Cost/car	Contribution/car	Revenue/hundredweight-mile	Cost/hundredweight-mile	Contribution hundredweight-mile
							Cents	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*
1972	OFF	OFF	57 - Newsprint paper	47	58.8	656	118,250	64,313	53,937	.1533	.0834	.0699
1966	OFF	OFF	57 - do	112	41.3	650	61,904	39,631	22,273	.1153	.0738	.0415
1972	OFF	OFF	58 - Groundwood paper	123	43.7	730	71,744	52,442	19,302	.1124	.0822	.0302
1966	OFF	OFF	58 - do	146	33.8	704	42,513	37,248	5,265	.0893	.0783	.0110
1972	OFF	OFF	59 - Printing paper	444	40.8	642	65,205	52,451	12,754	.1244	.1001	.0243
1966	OFF	OFF	59 - do	590	32.8	634	41,232	34,705	6,527	.0991	.0834	.0157
1972	OFF	SOU	59 - Printing paper	76	33.5	955	67,588	53,340	14,248	.1056	.0834	.0222
1966	OFF	SOU	59 - do	90	26.2	825	39,655	28,195	11,460	.0917	.0652	.0265
1972	OFF	OFF	60 - Wrapping paper	118	32.5	542	50,147	41,956	8,191	.1423	.1191	.0232
1966	OFF	OFF	60 - do	147	28.9	552	34,642	23,083	11,559	.1085	.0723	.0362
1972	OFF	OFF	61 and 62 - Pulpboard	347	42.6	414	47,139	35,740	11,399	.1336	.1013	.0323
1966	OFF	OFF	61 and 62 - do	485	38.9	434	34,800	24,136	10,664	.1031	.0715	.0316
1972	OFF	OFF	63 - Sanitary paper	684	16.9	410	29,199	33,562	-4,363	.2107	.2422	-.0315
1966	OFF	OFF	63 - do	377	16.8	352	18,337	20,558	-2,221	.1550	.1738	-.0188
1972	OFF	SOU	63 - Sanitary paper	119	19.2	866	45,209	40,838	4,371	.1359	.1228	.0131
1966	OFF	SOU	63 - do	43	18.5	986	35,311	30,473	4,838	.0967	.0835	.0132
1972	OFF	OFF	64 - Paperboard boxes	97	21.0	342	32,555	26,996	5,559	.2266	.1879	.0387
1966	OFF	OFF	64 - do	123	15.8	344	18,914	18,679	235	.1740	.1718	.0022
1972	SOU	SOU	57 - Newsprint paper	51	81.5	440	86,308	40,911	45,397	.1203	.0570	.0638
1966	SOU	SOU	57 - do	42	71.9	408	58,053	28,105	29,948	.0989	.0479	.0510

Summary of SPS' territorial commodity flow charts—Continued

AVERAGE MILEAGE. REVENUE. COSTS. AND CONTRIBUTION RELATIONSHIPS 1972 - 1966—Continued

Year	Origin	Destination	SPC Commodity Group	Sample carloads	Tons/ car	Miles/ car	Revenue/ car	Cost/ car	Contribution/ car	Revenue/ hundredweight-mile	Cost/ hundredweight-mile	Contribution hundredweight-mile
							Cents	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*
1972---	SOU	OFF	58 - Groundwood paper----------	23	60.0	797	93,196	57,526	35,670	.0974	.0601	.0373
1972---	SOU	OFF	59 - Printing paper----------	44	34.5	816	62,898	52,394	10,504	.1117	.0931	.0186
1966---	SOU	OFF	59 - ---------do----------	47	40.4	757	52,860	31,052	21,808	.0864	.0508	.0356
1972---	SOU	OFF	60 - Wrapping paper ----------	221	35.6	940	71,553	55,850	15,703	.1069	.0834	.0235
1966---	SOU	OFF	60 - ---------do----------	215	33.7	887	50,703	34,464	16,239	.0848	.0576	.0272
1972---	SOU	SOU	60 - Wrapping paper ----------	96	41.5	476	51,411	27,588	23,823	.1301	.0698	.0603
1966---	SOU	SOU	60 - ---------do----------	104	35.9	496	36,127	18,259	17,868	.1014	.0513	.0501
1972---	SOU	SOU	61 and 62 Pulpboard ----------	393	51.2	428	50,585	28,839	22,246	.1154	.0647	.0507
1966---	SOU	SOU	61 and 62 - ---------do----------	262	43.8	466	37,690	20,111	17,179	.0923	.0493	.0430
1972---	SOU	OFF	61 and 62 - Pulpboard----------	899	52.2	830	77,456	57,409	20,047	.0893	.0663	.0230
1966---	SOU	OFF	61 and 62 - ---------do----------	704	47.2	871	56,756	37,081	19,675	.0690	.0451	.0239
1972---	SOU	SOU	63 - Sanitary paper products-----	82	18.8	438	29,946	26,856	3,090	.1818	.1631	.0187
1966---	SOU	SOU	63 - ---------do----------	88	16.5	478	23,817	16,051	7,766	.1509	.1018	.0491
1972---	SOU	OFF	63 - Sanitary paper products-----	61	20.6	961	53,066	48,512	4,554	.1340	.1225	.0115
1966---	SOU	OFF	63 - ---------do----------	39	18.8	1,031	37,475	32,282	5,193	.0966	.0833	.0133
1972---	SOU	SOU	64 - Paperboard boxes or containers.	34	18.9	310	24,968	18,676	6,292	.2130	.1594	.0536
1966---	SOU	SOU	64 - ---------do----------	68	19.3	410	22,479	15,320	7,159	.1384	.0944	.0440
1972---	MP	MP	57 - Newsprint paper----------	64	72.4	1,080	128,708	69,871	58,837	.0823	.0447	.0376
1966---	MP	MP	57 - ---------do----------	38	60.9	1,018	63,936	52,742	11,194	.0516	.0425	.0091
1972---	MP	MP	60 - Wrapping paper and paper bags.	57	39.2	1,006	85,835	56,496	29,339	.1088	.0716	.0372
1966---	MP	MP	60 - ---------do----------	38	26.8	954	52,685	36,442	16,243	.1030	.0713	.0317

Summary of SPS' territorial commodity flow charts—Continued

AVERAGE MILEAGE. REVENUE. COSTS. AND CONTRIBUTION RELATIONSHIPS 1972 - 1966—Continued

Year	Origin	Destination	SPC Commodity Group	Sample carloads	Tons/car	Miles/car	Revenue/car	Cost/car	Contribution/car	Revenue/hundredweight-mile	Cost/hundredweight-mile	Contribution hundredweight-mile
							Cents	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*
1972 ---	MP	MP	61 and 62 - Pulpboard------------	186	56.7	830	80,775	50,389	30,386	.0858	.0535	.0323
1966 ---	MP	MP	61 and 62 - ----------do------------	182	48.7	900	58,230	38,890	19,340	.0664	.0444	.0220
1972 ---	MP	MP	63 - Sanitary paper products-----	99	19.2	844	65,064	45,205	19,859	.2008	.1395	.0613
1966 ---	MP	MP	63 - ----------do--------------------	75	16.6	978	49,693	30,939	18,754	.1613	.1004	.0609
1972 ---	WTL	WTL	59 - Printing paper-----------------	115	43.1	398	42,320	31,271	11,049	.1234	.0911	.0323
1966 ---	WTL	WTL	59 - ----------do--------------------	128	38.3	426	28,585	18,298	10,187	.0876	.0564	.0312
1972 ---	WTL	OFF	59 - Printing paper-----------------	55	46.4	693	74,825	48,824	26,001	.1163	.0759	.0404
1966 ---	WTL	OFF	59 - ----------do--------------------	115	35.9	742	49,068	30,161	18,907	.0921	.0566	.0355
1972 ---	WTL	WTL	63 - Sanitary paper products-----	120	16.0	528	32,111	28,101	4,010	.1901	.1663	.0238
1966 ---	WTL	WTL	63 - ----------do--------------------	155	15.7	422	21,021	19,152	1,869	.1586	.1445	.0141
1972 ---	WTL	WTL	64 - Paperboard boxes or containers.	25	17.7	432	35,960	25,983	9,977	.2351	.1699	.0652

1966 ---	WTL	WTL	64 - ----------do--------------------	43	18.6	354	21,380	15,912	5,468	.1624	.1208	.0416
1972 ---	SW	SW	57 - Newsprint paper---------------	22	76.9	392	87,475	40,301	47,174	.1451	.0668	.0783
1966 ---	SW	SW	57 - ----------do--------------------	21	33.6	390	37,277	21,434	15,843	.1422	.0818	.0604
1972 ---	SW	OFF	59 - Printing paper-----------------	-----	-----	-----	-----	-----	-----	-----	-----	-----
1966 ---	SW	OFF	59 - ----------do--------------------	-----	-----	-----	-----	-----	-----	-----	-----	-----
1972 ---	SW	SOU	59 - Printing paper-----------------	-----	-----	-----	-----	-----	-----	-----	-----	-----
1966 ---	SW	SOU	59 - ----------do--------------------	-----	-----	-----	-----	-----	-----	-----	-----	-----
1972 ---	SW	SW	64 - Paperboard boxes-------------	39	20.7	382	24,787	27,131	-2,344	.1567	.1716	-.0149
1972 ---	SW	OFF	60 - Wrapping paper --------------	50	46.6	1,208	98,714	73,236	25,478	.0877	.0650	.0227
1966 ---	SW	OFF	60 - ----------do--------------------	76	33.7	1,193	59,665	40,700	18,965	.0742	.0506	.0236
1972 ---	SW	SOU	60 - Wrapping paper --------------	47	43.7	721	68,885	40,964	27,921	.1093	.0650	.0443
1966 ---	SW	SOU	60 - ----------do--------------------	26	37.2	693	44,350	25,387	18,963	.0860	.0492	.0368

This summary indicates that for the year 1972, the average revenue per car *exceeded* the average variable costs of transportation for 29 of the 31 territorial commodity flows studied excluding lead and trailer shipments. This translates to 4,115 of 4,838 carloads or 85 percent of the movements studied. The two territorial flows where variable cost exceeded revenue were: (1) movements of sanitary paper (SPS Commodity Group 63) within official territory where average variable cost exceeded the average per-car revenue by $43.63, and (2) movements of paperboard boxes (SPC Commodity Group 64) within the southwest territory. On this latter group, variable costs exceeded revenues by an average of $23.44 per car.

On the three lead and trailer shipment charts, the variable costs exceeded revenue for over 90 percent of the observed movements. SPS states that due to severe data limitations, costs obtained for these movements may not be completely representative, but are presented solely for showing the "order-of-magnitude" impact of costs on lead and trailer shipments. In other words, the charts show adverse revenue/variable costs relationships for lead and trailer shipments while single-car shipments for the same commodity and same territorial flow show, in the majority of cases, that revenue exceeds variable cost.

For the year 1966, one territorial flow had average variable costs exceeding average revenues. This flow represented movements of sanitary papers within the Southwest. This was also the case in 1972 (see above paragraph), where the average loss per car over variable cost was $22.21.

A summary analysis of the revenue and cost profiles by commodity and territorial breakdown is shown below.

Commodity Group 57—Newsprint Paper

A. *Mountain Pacific to mountain Pacific.*—For both years 1966 and 1972, revenue exceeded variable cost for all distances. The amount by which revenue exceeded variable cost increased with distance.

B. *Southern to southern*—Revenue exceeded variable cost for both years and, as the distance increased, the amount by which revenue exceeded variable cost also increased.

C. *Southwestern to southwestern.*—For 1966, revenue exceeded variable cost at all distances. In 1972, revenue was below variable cost for very short hauls of approximately 25 miles and less. Above this distance, however, revenue exceeded variable cost by increasing margins. The bulk of this traffic moved between 100 and 600 miles.

D. *Official to official.*—For both years, variable cost was exceeded by revenue by margins that increased with distance.

Commodity Group 58—Groundwood Paper

A. *Southern to official.*—For 1972, revenue was above variable costs for all mileages. As the distance increased, the excess of revenue over variable cost progressively increased. A cost profile chart was not shown for 1966.

B. *Official to official.*—For the year 1966, revenues exceeded variable costs by an increasingly larger margin as the distance increased. For 1972, revenue equaled or was slightly below variable costs at distances of 77.5 miles or less, while as the distance increased above that figure, revenue exceeded variable cost by progressively larger amounts.

Commodity Group 59—Printing Paper

A. *Western trunkline to western trunkline.*—Revenues exceeded variable cost for 1966 by progressively larger amounts as mileage increased. In 1972, variable cost exceeded revenues for movements below 103 miles. However, these movements represented only a small fraction of the total movements sampled.

B. *Western trunkline to official.*—The revenues exceeded variable costs for both study years at all distances.

C. *Southern to official.*—For both years, revenues exceeded variable costs for all distances, with the margin increasing as distance increased.

D. *Official to southern.*—For both study years, revenue was above variable cost for all distances. As the distance increased, the excess of revenue over variable cost progressively increased.

E. *Official to official.*—Revenues exceeded variable cost for all distances for both study years. As the mileage increased, the margin of revenue over variable cost also increased.

Commodity Group 60—Wrapping Paper and Paper Bags

A. *Southwestern to official.*—For both 1966 and 1972, the variable cost was exceeded by revenue by progressively larger margins as the mileage increased.

B. *Southwestern to southern.*—For both years, revenue exceeded variable cost by increasingly wider margins as the distance increased.

C. *Mountain Pacific to mountain Pacific.*—Revenues exceeded variable cost for both study years. As the distance increased, the revenue/cost ratio increased.

D. *Southern to official.*—For both years, revenues exceeded variable cost by increasingly larger amounts as the mileage moved increased.

E. *Official to official.*—In 1966, revenues exceeded variable costs at all distances by progressively wider margins. However, for 1972 revenues for shipments of wrapping paper within official territory did not meet the variable costs at distances below 102 miles. Above this mileage, the revenue/variable cost ratio increased as the distance increased.

F. *Southern to southern.*—For both study years, revenues exceeded variable cost for all movements along the mileage scale. As distance increased, the margin of revenue over variable cost increased.

Commodity Group's 61 and 62—Pulpboard

A. *Mountain Pacific to mountain Pacific.*—For both years, revenues exceeded variable costs by margins that increased as the distance increased.

B. *Southern to official.*—Over all distances, the revenue per hundredweight exceeds the variable costs for both study years.

C. *Southern to southern.*—The revenue exceeds variable costs by increasingly greater amounts as the mileage increases for both years. These charts also indicate that the preponderance of this traffic moved between the 200 and 800 mileage blocks.

D. *Official to official.*—For both years, revenue is above variable costs for all mileages. Moreover, the revenues increase much more rapidly with increases in mileage than do costs.

Commodity Group 63—Sanitary Paper Products

A. *Official to official.*—For 1966, revenue falls below variable costs at distances less than 490 miles. In addition, the distribution of tonnage is such that the largest concentrations of traffic fall within the 0 to 490 mile range. Above 490 miles, revenue exceeds variable costs by margins that increase as distance increases. For 1972, in no case does revenue exceed variable cost, that is, revenues received from shipments of sanitary paper products fail to cover variable costs for all distances.

B. *Southern to southern.*—In 1966, shipments of sanitary paper products moving less than 136 miles had revenues that were exceeded by variable costs. At distances greater than 136 miles, in which category the majority of the shipments fall, revenue exceeds variable costs by increasingly larger margins. In 1972, shipments at distances of less than 238 miles had variable costs which exceeded revenue. Movements over distances greater than 238 miles had variable costs which were less than the revenues. This category represented approximately two-thirds of 1972 shipments.

C. *Mountain Pacific to mountain Pacific.*—For 1966, revenue exceeded variable cost by progressively larger margins as mileage increased. For 1972, revenue failed to meet variable costs for shipments moving distances up to 198 miles. The tonnage distribution shows that this traffic constitutes a relatively small proportion of the total territorial flow. Movements in excess of 198 miles had revenues that exceeded variable cost by margins that increased as the distance increased.

D. *Western trunkline to western trunkline.*—For 1966, revenues equaled or were below variable costs for distances of 317 miles or less. Approximately 54 percent of the traffic flow falls into this category. Above 317 miles, revenues exceeded variable costs by margins that increased as mileage increased. For distances less than 136 miles, the 1972 study year shipments had variable costs which exceeded revenues received. At distances above 136 miles, the revenue/variable cost ratio increased as distance increased. As is indicated by the tonnage bars, the vast majority of the movements move at distances in excess of 136 miles.

E. *Official to southern.*—For both study years, revenues exceeded variable costs by an almost constant figure, i.e., the revenue and variable cost lines are nearly parallel.

F. *Southern to official.*—For the study years 1966 and 1972 revenues exceeded variable costs by margins that decreased as the distance increased. However, in neither chart do the revenue and the variable cost lines intersect.

Commodity Group 64—Paperboard Boxes or Containers

A. *Western trunkline to Western trunkline.*—For both years, revenues exceeded variable costs throughout the mileage intervals.

B. *Official to official.*—Shipments of paperboard boxes or containers moving within official territory in 1966 had revenues that were exceeded by variable costs for movements under 221 miles. About 67 percent of the traffic handled for this territorial flow moved less than 221 miles. All movements in excess of 221 miles had revenues above variable costs. All shipments studied in 1972 had revenues in excess of the variable costs, indicating a reversal of the 1966 situation.

C. *Southern to southern.*—Revenues exceeded variable costs for both study years. As distance increased, the difference between revenue and cost increased.

D. *Southwestern to southwestern.*—1972 shipments studied moving less than 268 miles had a revenue/variable cost ratio of less than 1.0. This means that variable costs exceeded revenue up to this distance. An examination of the tonnage distribution shows that slightly more than 50 percent of the traffic moves within the 0 to 268 mile interval. As distance increased from 268 miles, the revenue increase progressively exceeded the variable cost increase. A chart was not prepared for 1966.

LEAD AND TRAILER SHIPMENTS—1972

Commodity Group 63—Sanitary Paper Products

A. *Mountain Pacific to mountain Pacific.*—Variable costs for lead and trailer shipments moving within mountain Pacific territory exceeded revenues for all shipments observed regardless of shipment distances.

B. *Southern to official.*—Variable costs exceeded revenues for all shipments sampled throughout the mileage intervals shown.

Commodity Group 64—Paperboard Boxes and Containers

A. *Official to official.*—Shipments up to distances of approximately 1,075 miles had revenues that exceeded variable costs. Above this distance variable costs exceeded revenues. However, only a very small proportion of the total territorial flow fell into the latter category.

A. REBUTTALS TO THE SPS STATEMENT

Several rebuttal statements were submitted in response to the opening statement filed by the SPS. Each of these statements is discussed below.

1. *Rebuttal of Fort Howard Paper Company.*—This party takes exception to the SPS finding that sanitary paper products traffic are not compensatory over some lengths of haul. It is this party's contention that the cost study presented by SPS substantially overstates the variable cost for sanitary paper products, especially with respect to short-haul traffic. This overstatement is reportedly caused by: (1) methodological inconsistencies in developing the average cost and revenue lines; (2) SPS' failure to make all of the adjustments discussed in their statement; and (3) SPS' failure to make other adjustments which are necessary to reflect the actual transportation characteristics of the subject traffic. Each of these areas is discussed in detail below.

Methodological inconsistencies.—This party points out that the average variable cost lines and revenue lines shown in SPS' exhibit 12 were developed by different procedures. The average variable cost lines were developed by drawing a straight line between the computed cost per hundredweight at the average weight and length of haul with the computed cost for the average weight at zero miles of haul.

On the other hand, the revenue line was developed by the application of the least-squares technique to the revenues per hundredweight for each car in the sample. This line is also known as the line of best fit for the individual revenues per hundredweight.

In simplest terms, the revenue line represents an estimate of the average rate per hundredweight that would be charged at each mileage interval based on the actual rate per hundredweight for all cars in the sample. Therefore, the revenue per hundredweight for each car in the sample has an influence on the slope of the revenue line. On the other hand, the slope of the cost line is dictated solely by the difference between the total calculated variable costs computed for the average type car, average weight, and average haul of all cars in the sample and the calculated variable terminal costs for the average type of car and average weight for all cars in the sample.

It is this party's contention that in order for the two lines to be directly comparable, and for conclusions to be drawn about the relationship of rates to costs along those lines, it is necessary that both lines be constructed on the same basis. A second alleged inconsistency is the inclusion of the average interchange cost and way train service cost at the origin and destination in the total variable costs at zero mileage. The party contends that the inclusion of these two factors substantially overstates the cost at zero mileage. This results in a reduced slope of the line such that the costs along the line for all mileages between zero and the average haul are overstated and the costs along the line beyond the average haul are understated. The party indicates that with the exception of movements within the official territory, each of the sanitary paper products traffic flows found to have variable costs in excess of revenues by SPS showed a break-even mileage[9] that was substantially less than the average haul. In other words, the movements identified as having revenues that were exceeded by variable costs occurred where the overstatement of the costs was the most significant. In conclusion, it is argued that if the methodology used to develop the revenue line had been employed to develop the variable cost line, the above-alleged distortions would not have occurred.

SPS' failure to make all the adjustments discussed in their statement.—It was observed, that two adjustments identified in the SPS' opening statement which were not incorporated into the cost study. The effect of these two adjustments, it is alleged, would be to reduce the variable costs used by SPS in plotting the charts shown in exhibit 12. The first of these is an adjustment in car cost due to the use of cars having less than Rail Form A per diem costs. These Rail Form A per diem costs are merely a composite average for all cars, including specially equipped boxcars, hopper cars, et cetera, and sanitary paper products generally move in unequipped general-service boxcars.

The second adjustment concerns the need to adjust the short-line miles to reflect the actual circuity. This party contends that to do so would result in a further reduction of SPS' costs shown in exhibit 12. It is argued that this is due to the many line closings and mergers that have occurred since the last circuity study was performed in 1964.

SPS' failure to make other adjustments which are necessary to reflect the actual transportation characteristics of the subject traffic.—This party points out that there are four other areas in which consideration should have been given in SPS' costs study. These areas are discussed below:

(a) *Switching minutes at origin.*—It is argued that the use of territorial average switching-minutes per car for sanitary paper products' movements overstates the actual cost of handling the traffic. This contention is supported by the party's own switching study performed at Fort Howard which produced total switching time of 16 minutes per car for origin switching. This is substantially less than the 23.5 territorial average switching-minutes for region V boxcars used by the SPS in its cost study.

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[9] That mileage at which the variable costs and the revenue are equivalent.

(b) *Car costs at origin.*—These costs are allegedly overstated because SPS made no adjustment in car costs to reflect the reduction in car-days due to a Commission decision which reduced the free time for loading from 48 to 24 hours.

(c) *Wqy train costs.*—It is argued that the use of a full way train haul by SPS does not reflect the actual characteristics of shipments of sanitary paper products. Rather, the party states that the information to which it had access to indicates that this traffic tends to move in trains that are more akin to Rail Form A through trains than way trains.

(d) *Billed weight.*—The party asserts that costs based on the use of billed weight instead of actual weight are overstated. This is because shippers of sanitary paper traffic tend to ship at or below the minimum weight and, therefore, are charged for tonnage that is not actually transported.

Based on the above-stated reasons, this party concludes that the cost studies submitted by SPS substantially overstate the costs of handling sanitary paper products traffic.

2. *Rebuttal of American Paper Institute.*—This party notes that SPS' cost study shows six instances, excluding sanitary paper traffic which is the subject of another proceeding, in which the carload revenues fall below variable costs. However, API points out that SPS' showing of noncompensativeness is based on its "upper cost line" instead of the middle (mean) cost line which API believes is more appropriate. Moreover, API states that these six instances account for only 0.44 of 1 percent of the total traffic (measured in tons) as shown by SPS in its cost study (excluding sanitary papers) and is, therefore, insignificant.

Further, API is of the opinion that the costs lines developed by SPS are overstated to a certain extent due to the method of cost calculation. For example, it notes that SPS' car costs are based on a mixture of equipped and unequipped boxcars. However, API points out that paper traffic generally requires the less costly unequipped boxcars, and equipped cars are supplied primarily for railroad convenience.

Secondly, API states that the car costs developed by SPS are based on 2 days' loading time and 2 days unloading. Since paper traffic is allowed only 1 day for loading this would result in a corresponding reduction in car costs. Further, API claims that SPS, except in the case of lead and trailer cars, makes no allowance for multiple-car handlings at origin which would result in a further reduction of the costs.

Finally, API argues that if specific rather than average costs were ascertained, based on special studies, then the movements shown by

SPS to be noncompensatory would in all probability be compensatory.

3. *Rebuttal of Kimberly-Clark Corporation (KCC).*—This party acknowledges that SPS adjusted costs to some extent to more closely reflect the actual costs of the involved traffic. However, it notes that even though SPS speaks of other adjustments that are necessary, SPS did not make these adjustments. KCC contends that had these adjustments been made, they would have reduced the transportation costs of the movements of paper traffic which would be particularly significant in the case of sanitary paper.

In order to give effect to the specific characteristics of sanitary paper movements, KCC adjusted SPS' costs in the following areas:

1. Origin switching.
2. Car time at origin.
3. Car costs.
4. Actual weight v. billed weight.
5. Actual circuity v. average circuity.
6. Average train v. way and through trains.

(1) *Origin switching.*—KCC claims that there is a savings in switch engine time due to the large number of cars handled per switch move. A study was made at each of KCC's sanitary paper mills for the first 6 months of 1975 of the number of cars per switch handled. This study resulted in a weighted average of 31.5 cars per switch.

It is this party's contention that the Commission's Rail Form A studies do not contain sufficient information to adjust the territorial switching minutes per car to give effect to the large multiple-car cuts such as those involved in this proceeding. Therefore, in an effort to adjust the Rail Form A territorial switching-minutes per car the party employed a so-called in-depth study, prepared by Walter Wright of the C&O Railroad. This study attempts to show the cost difference (per car) between switching cars in multiple-car lots as compared to single-car cuts. Applying the ratio developed in the Walter Wright study to the weighted average cars per switch of 31.5 cars for KCC's mills, KCC states that the resultant switching time is only 29.9 percent of the territorial average switching time employed in the SPS study.

(2) *Car time at origin.*—KCC points out SPS' car costs at origin are overstated due to the recent change in free time allowed for loading which has reduced the free time for loading from 2 days to 1 day.

(3) *Car costs.*—KCC also claims that car costs are overstated for movements of sanitary papers because car costs used by SPS are based on a composite average of all cars whereas the subject traffic generally moves in the less costly general-service boxcars. Therefore, it has adjusted car costs based upon the mean average per diem rates shown in SPS' statement, but not used by SPS. The weighted average per diem rate of $2.67 per day developed by SPS for sanitary papers was compared to the U.S. average car cost of $4.09 per day to arrive at a ratio of 65.3 percent. Thus, the car costs were adjusted based upon the percentage that time and mileage-related costs are of both running and terminal car cost or shown in Rail Form A. In other words, the costs were adjusted to reflect the fact that the cost of the railroad cars used to move sanitary paper are less than the average car cost shown in Rail Form A.

(4) *Actual weight v. billed weight.*—KCC developed the actual weight of each shipment of sanitary papers from the hard copy waybills selected by SPS in its subsample of the 1-percent waybill sample. The average actual weight for each territorial flow was used in KCC's restatement of costs.

(5) *Actual circuity v. average circuity.*—Based on a study of the railroads' submission in this proceeding, KCC developed actual circuity factors for each of the four of the six territorial flows. For the two other territorial movements, the average of these four territories were used. These circuity factors are shown below.

	Percent circuity
Southern to southern	12.4
Southern to official	10.2
Official to official	14.2
Official to southern	12.8
Average	12.4

(6) *Average way train costs.*—KCC indicates that the basic territorial Rail Form A adjustment for crew costs for way and through trains is improper. To recapitulate, KCC contends that unit costs attributable to running service should be calculated based on train-mile wage costs in running service rather than wage costs per train-mile as is done in Rail Form A. This is due to the fact that way train crews spend a greater proportion of their on-duty time in switching service than do through train crews. Therefore, average

train costs rather than way and through train costs were used in KCC's cost restatement.

Based on the foregoing discussion, KCC restated the revenue/cost comparisons as made by SPS:

Revenue/cost ratios SPS 63 sanitary paper products average for all distances

Territorial flow	SPS[1] ratio	Revenue/cost restatement (X-305 level)
	Percent	*Percent*
Official to official	89.7	111.8
Southern to southern	110.5	140.9
Mountain Pacific to mountain Pacific	143.0	172.8
WTL to WTL	116.2	149.2
Official to southern	110.3	134.3
Southern to official	108.8	133.0

[1] Calculated from underlying workpapers of witness Mehling.

The restated revenue/cost ratios also include an adjustment to the revenue in order to reflect current conditions. KCC point out that in Ex Parte No. 305 the Commission awarded the railroads an increase of 10 percent where only 3 percent was cost justified due to increases in expenses. It is argued that any revenue/cost ratio developed prior to Ex Parte No. 305 would not reflect this 7-percent special increase in revenue. Therefore, in order to be current, the 1972 revenue was increased by 7 percent before dividing by the 1972 cost.

Further, KCC maintains that the restated revenue/cost comparisons are themselves somewhat understated since they do not include the special 10-percent specific-commodity increase published on sanitary papers on and since August 1974. The following shows the revenue/cost ratios for each affected territory, reflecting this 10-percent increase:

Territorial flow	Restatement of revenue/cost ratios with 10 percent increase
	(Percent)
Official to official	123.0
Southern to southern	154.9
Mountain Pacific to mountain Pacific	[1]172.8
WTL to WTL	164.2
Official to southern	147.7
Southern to official	146.3
Weighted average	141.6

[1] The 10-percent increase was not published by mountain Pacific territory.

In addition, KCC states that the resultant costs overstate car costs for two reasons:

> (1) The movement of sanitary papers is nonseasonal as it is a regular flow of traffic month-in and month-out;
>
> (2) The car costs reflected average loads per car of all commodities, rather than the better turnaround experience of sanitary papers.

Utilizing the adjustments and considerations discussed above, KCC has restated all SPS costs and revenues to reflect current conditions. This restatement indicates that all revenues exceed variable costs both with and without the Ex Parte No. 305 adjustments described above.

Finally, KCC indicates that it has examined the methodology employed by SPS in developing its cost profiles, which reveals a number of deficiencies. As in preceeding rebuttal statements, KCC attacks the validity of constructing a cost line based on a single average cost for the average haul in each territory. The logic used is essentially the same as that presented in the submission on behalf of Gift Wrappings and Tyings Association.

In conclusion, KCC is of the opinion that the fairest presentation of the relationship of revenues to costs would be to compare a single composite average revenue/cost ratio for all the movements in a territory. This is the method used by KCC in its appendix A cost restatements as discussed above.

4. *Rebuttal of Gift Wrappings and Tyings Association (GWTA)*.—This party is highly critical of the territorial commodity cost profiles as developed by SPS. It is GWTA's contention that SPS graphs contain errors in calculation and are subject to certain infirmities associated with using averages and applying them against

specific commodity movements. To support this contention GWTA offers the following comments.

To begin with, GWTA points out that SPS cost presentation should be adjusted to reflect recent changes in demurrage rules. This rule change relates to the number of days free time allowed for loading which now allows only 1 day for loading instead of 2 days. Thus GWTA argues that all of SPS' costs are overstated to the extent that they reflect 2 days for loading rather than the recently approved 1 day.

Secondly, GWTA questions the procedure followed by SPS in constructing the line-haul revenue line in the various flow charts. For example, SPS' methodology of using least-squares regression techniques to "force" the revenue data into a single straight line is criticized. However, it is argued that rail rates are constructed in such a manner that as distance increases the long-haul "taper" typical of rail rates causes a decrease in the slope. Therefore, GWTA asserts that the application of a straight line, or uniform slope formulation tilts the revenue curve so that it is lower than actual at the shorter distances and higher than actual at the longer distances.

Further, GWTA questions the disparate treatment of the revenue lines and the cost lines. This criticism refers to the methods used in constructing the lines, i.e., the regression analysis performed on the revenues versus the two-point approach used on the cost lines as well as the 95-percent confidence limit intervals constructed around the cost line. Also, GWTA alleges that the "minimum cost" calculated at zero miles is overstated in that the point contains costs for the entire way train mileage and interchange costs. This is based on a longstanding principle that it is improper to attribute way train-miles and interchange costs at zero miles *before* any actual movement takes place. As an example, GWTA uses chart 31 of SPS' exhibit 12 to show that approximately 38 way train-miles in official territory and 1.4 interchanges took place over 542 miles based upon the sample study of this paper traffic. This example clearly demonstrates that it would be improper to attribute 38 miles of haul and 1.4 interchanges at zero miles.

To illustrate how the SPS cost curves should look, GWTA has constructed a new variable cost line for SPS' chart 31 utilizing the basic costs furnished by SPS. GWTA's cost line includes only origin terminal costs and one-half the loss and damage costs at zero miles. The assumption is made that destination terminal costs, interchange costs, and way train line-haul movement could not occur at zero miles, nor could all loss and damage occur at zero miles. The first stage of this graph sets interchange costs halfway between origin and destination (for lack of better information) and way train line-haul costs have been assumed to occur out to 19 miles from origin and destination. The second stage of the graph has the new cost at zero miles connected to the mean cost point calculated by SPS. The results of this particular chart indicate that for movements over the entire mileage range revenue exceeds variable cost. This conclusion contradicts SPS' results which indicate that below 102 miles variable cost exceeds revenue. GWTA maintains that similar corrections should be made to all of the SPS charts.

GWTA is also of the opinion that costs presented by SPS overstate the cost which should be applied to GWTA traffic in the areas of loss and damage and car ownership. For example, based on a survey of GWTA members' loss and damage claims experience, the average claim payment was calculated to be $2.01 per car. On the other hand, SPS utilized the loss and damage costs per hundredweight of 1.157 cents shown in the Commission Statement No. 1C1-72, *supra*, for paper other than newsprint. Applying this figure to the average shipment weight, as developed by SPS for this commodity (32.5 tons) GWTA arrived at a loss and damage cost per car of $7.52. Therefore, GWTA asserts that SPS has overstated GWTA's claim experience by $5.51.

With regard to the car ownership costs used by SPS, it is pointed out that GWTA members "*** typically order and use the oldest and lowest grade cars railroads have available." GWTA claims that the Commission's territorial average car cost does not distinguish between old and new equipment, i.e., the same average car cost is applicable to all railroad-owned cars (by car type). It is GWTA's contention that the use of an overall nationwide car ownership cost as used by SPS clearly overstate actual costs incurred by GWTA members.

The final area in which GWTA is critical of SPS' cost development has to do with the use of billed weights instead of the actual weight handled. Based on a survey of carloads shipped by GWTA members in 1974 and 1975, returns from this survey indicate that the actual weight for these carloads was only 57 percent of their billed weight. As a result, it is argued that the use of billed weight "grossly" overstate the costs in all categories related to the net weight of the lading, *e.g.*, line-haul, loss and damage, and certain terminal costs.

5. *Rebuttal of Eastern Canadian Newsprint Producers (Eastern Canadian).*—Eastern Canadian takes exception to the opening statement submitted by SPS for the following reasons:

(1) SPS has failed to restate its cost-revenue comparisons at the Ex Parte No. 310 level as reportedly called for in the Coordinator's order.

(2) SPS has failed to present cost-revenue comparisons and more detailed traffic data with respect to interterritorial movement of newsprint.

(3) Each SPS graph is set out on a different scale which prevents the use of these graphs for comparison purposes as between different products.

In addition, Eastern Canadian sets forth additional data with respect to the movement of newsprint from U.S. origins to U.S. destinations. The traffic data was developed from the 1-percent waybill study for the year 1972.

This data was analyzed and updated to the Ex Parte No. 310 level as reportedly called for in the Coordinator's order. Next the data was aggregated by origin according to: (a) carload shipments; (b) tons; (c) revenue; (d) short-line car-miles; and (e) short-line ton-miles. Certain average in terms of (a) tons per car, (b) average haul, (c) revenues per ton, (d) revenues per ton-mile, and (e) revenues per car-mile were also computed. The results of these calculations are shown in Eastern Canadian's exhibit 20.

Eastern Canadian states these figures may be compared with the traffic data derived from a sample of Eastern Canadian newsprint shipments as contained in its opening statement, exhibit 14.

This comparison indicates that the average revenue per short-line car-mile is slightly higher in exhibit 20 ($2.245) than in exhibit 14 ($2.147). However, a comparison of revenues per short-line ton-mile indicates the converse to be true, i.e., the revenue shown in exhibit 20 is lower (3.501 cents versus 3.15 cents).

B. SURREBUTTAL BY SPS

SPS notes that numerous reply statements contained questions and comments regarding the revenue and variable costs data submitted in its opening statement. For example, several parties question SPS' reasons for not updating its average line-haul revenues to the Ex Parte No. 310 level. SPS states that it has chosen not to increase the 1966 and 1972 waybill sample revenues to the 1975 Ex Parte No. 310 rate level, based on the Commission's authorized percentage rate increases, due to the numerous adjustments in the basic rates following such increases. Thus, it is argued that the relationship between the authorized percentage increase and the actual change in the rates is tenuous at best.

Further, SPS disagrees with KCC's suggestion that because general increases are cost justified, costs have increased by the same percentage amount as the authorized percentage rate increases. SPS emphasizes that, even though a percentage rate increase is found to be cost justified all cost increases incurred by the railroads may not be covered by such rate increases. SPS cites as an example Ex Parte No. 305 where the anticipated cost increases substantially exceeded the anticipated revenue increases. Thus, SPS argues that KCC, in assuming a one-to-one relationship between authorized rate increases and actual increases in costs, has substantially understated costs in its statement.

SPS also notes that several parties have taken issue with its costs in connection with the use of the Rail Form A standard 2 days of car time for loading. SPS agrees that during 1975 the free car time allowed for loading was reduced from 2 days to 1 day. However, it points out that its revenue and costs were for the years 1966 and 1972 and only costing for traffic subsequent to April 1, 1975, should reflect the one day of free time for loading.

SPS observes that its car costs were adjusted by KCC based on a ratio of weighted average per diem rate ($2.67) of cars in the sample for sanitary paper and a U.S. average car cost ($4.09) based on Rail Form A.

In this regard, SPS contends that the proper adjustment to its car costs would have been to develop the ratio of weighted average per diem cost of $2.67 to the average per diem cost for all cars interchanged of $3.39. It is argued that this method would have resulted in a car cost adjustment of 78.8 percent of the Rail Form A average car costs rather than 65.3 percent as computed by KCC.

SPS also disagrees with KCC's method of adjusting switching costs to reflect reportedly higher than average size switching car cuts at five KCC papermills. This adjustment is based on the assumption that the operating conditions at the five KCC papermills and the terminals observed in the Walter Wright study (which shows that engine-minutes per car decrease as the car-lot size being switched increases) are applicable for all terminals. However, SPS points out that railroad terminals differ in those conditions which cause engine-minute fluctations. Therefore, if switching costs are to be adjusted to reflect greater than the average car costs, then the switching-minutes should be based on the terminals involved.

Nonetheless, SPS agrees with KCC that its cost profiles for sanitary paper products overstate the car switching costs at KCC's five papermills. Thus, SPS suggests that its costs are somewhat overstated and KCC's costs are somewhat understated.

SPS notes that several parties took exception to its inclusion of way train, interchange, and terminal switching costs at zero miles or at the *y* intercept of the cost lines. The advantage of this method, as opposed to spreading the costs on a hundredweight/mile basis, is that the average line-haul revenue at a specific mileage point can be readily compared to the costs at that point. This precludes having to recalculate these cost increments to account for way train destination terminal interchange and loss and damage costs applicable at that point. Nonetheless, SPS acknowledges that a shortcoming of this method is that rate-cost comparisons at short mileages, 0-50 miles, may be distorted because of the inclusion of destination way train costs.

SPS indicates that several parties question its method of developing a single cost line. For example, they point out the problem associated with using a linear function (straight line) to express nonlinear relationships. While SPS agrees that its two methods of developing a straight cost line are less effective than a curvilinear cost line, it nevertheless argues that none of the parties made such a presentation.

C. COORDINATOR'S COMMENTS

1. *SPS' procedures in general.*—The costing approach followed by SPS was to cost out paper and paper products traffic according to major traffic flows as opposed to the more conventional method of costing out individual shipments. SPS, by means of sampling the 1-percent waybill file, developed the average traffic service units for each of the territorial commodity flows studied. Based on these average traffic service units, *e.g.*, average weight of lading, average mileage, average number of interchanges, et cetera, SPS computed a single cost for each territorial commodity flow. Based on a *single-cost* computation, a cost line was developed for each chart (SPS exhibit 12) in the manner previously discussed.

SPS' costing method presents the following problems and discrepancies:

(1) In developing the average revenue line, SPS plotted on a graph each and every revenue per car obtained from the 1-percent waybill sample. These data were, in turn, fitted to a straight line using least-

squares regression techniques. To obtain a comparable cost line, variable costs should have been computed in a like fashion, i.e., the cost of individual movements should have been plotted and the data fitted to a straight line using least-squares regression techniques. However, in lieu of this procedure, SPS computed only one cost for each territorial commodity flow based on the average traffic service units for each flow. Although three cost lines were shown, the only difference between the lines is in the number of interchanges used.

(2) SPS assails the use of Rail Form A "average" costs. However, the cost lines in its charts (SPS exhibit 12) are based on the "average" weight for that flow, the "average" number of interchanges, and the "average" short-line miles. Thus, in effect, SPS also used "averages," the very thing it criticizes.

(3) SPS' assumption that cost, in relation to mileage, is linear, is questionable. Because of the nature of costs and the many variables constituting total costs, there is evidence that the line is curvilinear rather than linear.

(4) Since SPS' cost lines are based on only two points, an error in computing either point can make a marked difference in the slope of the line. The figure below demonstrates this possibility. The solid line, as previously described, is the cost equation computed by SPS. The broken line demonstrates how the slope can change if one point changes. In this example, using the results of SPS' cost computation for paper, official to south, 1972, SPS used "total implicit costs" of 29.3709 cents at 0 miles as one point and the "total movement costs," 72.612 cents at the average short-line miles (955) as the other point.

Even assuming that the second point on the figure is correct, issue would have to be taken with the first point on the figure. In SPS' computation the "total implicit costs" at the *y* intercept (zero miles) is composed of way train costs, interchange costs, loss and damage, and terminal costs. It should be apparent that, at the point of zero miles, only the terminal costs plus loss and damage should be included. At zero miles there would be no way train costs, nor interchange costs. Moreover, the inclusion of the mean number of interchanges across the entire mileage spectrum is erroneous, as mileage does have some bearing on the amount of interchange cost involved. This point will be discussed subsequently herein. The inclusion of interchange costs in such a manner overstates costs for shorter distances, and understates costs at the greater distances.

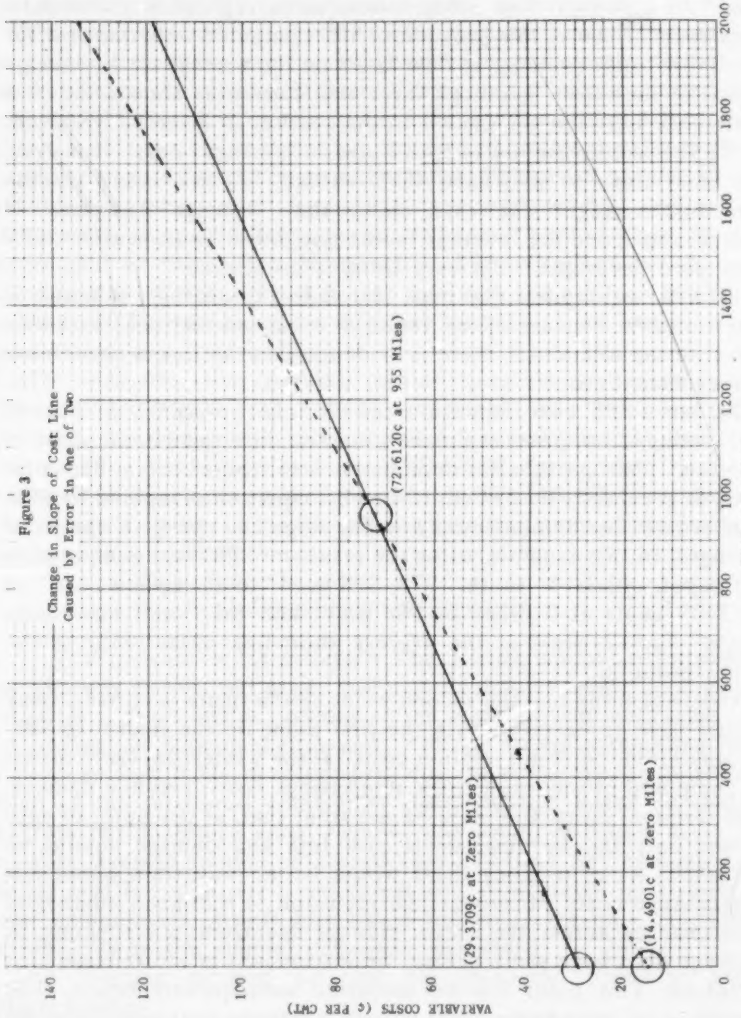

Figure 3

Change in Slope of Cost Line Caused by Error in One of Two

Bearing these arguments in mind, the initial point now becomes zero miles and 14.4901 cents (the sum of terminal plus loss and damage from Mehling's table 10). The difference in the lines is the difference between varying assumptions made at the initial point. Also, it becomes obvious that at distances greater than 1,000 miles, the difference would be much greater than that shown on the figure.

The major point is not to show that the broken line represents the actual cost, but that an error in computation or an erroneous assumption in computing either point can magnify the errors. This is the danger inherent in SPS' cost equation using only two points. Such a method of developing cost profiles is improper and unreliable. An appropriate method would be to compute the costs for each movement in each subsample. This would have provided a much more accurate picture of total costs and still would have encompassed the service units associated with a particular flow of traffic.

2. *SPS' five cost considerations.*—(a) SPS' number of interchanges. SPS' criticisms of the Rail Form A method of accounting for interchanges is without merit. First it should be observed that there is a basic misconception on SPS' part since not only are interchange costs developed in Rail Form A on a mileage basis but Rail Form A also develops interchange costs on a per-car interchanged basis. Therefore, in instances where the actual number of interchanges are known, the costs should be computed using the cost per car interchanged as shown in the Commission's "Rail Carload Cost Scales 1972," table 12.

A problem arises only in those instances where the actual number of interchanges is not known. In these instances the interchange costs per car-mile as developed in Rail Form A are generally used. In this regard, SPS is correct in that mileage need not bear any *actual* relationship to the frequency and related cost of interchange switching. For example, a 200-mile movement may incur as many interchanges as a 500-mile movement. Moreover, it is possible that neither a 200-mile nor even a 500-mile movement will incur an actual interchange. The problem is how should interchange costs be computed when the actual number of interchanges is unknown.

In 1948, an analysis was made by the Commission's Bureau of Accounts of the frequency in the number of carload interchange as related to distance. The study was based on a sample of 4,102 carload waybills received by the Commission during April 1947. The number of interchanges were taken to be one less than the number of line-haul railroads participating in the movement of each consignment. The data were summarized by distance blocks and by intraterritorial and interterritorial movements. The study results are contained in the Commission's Statement No. 7-63, "Explanation of Rail Cost Finding Procedures and Principles Relating to the Use of Costs," table 29. Based on this study the number of carload interchanges was found to be in close relation to the length of the haul. This relationship would tend to support the Rail Form A method of computing the average cost of interchanges on a mileage basis.

Moreover, the procedure of applying interchange cost on a mileage basis equally allocates the actual cost of interchange to all movements on an average-incidence basis. This occurs because Rail Form A develops interchange service unit costs by dividing the total interchange costs by the revenue car-miles to yield a unit cost of interchange per revenue car-mile.

On the other hand, SPS suggests "interchange service unit costs for railroad cost regions should be applied on an incidence basis instead of at a constant mileage rate." In other words, interchange cost should be applied on an average per-carload basis.

Based on a subsample of the 1-percent waybill sample, SPS determined the average number of interchanges incurred for each territorial commodity flow. These average number of interchanges were then included in SPS' cost calculations for each territorial commodity flow regardless of miles.

The fallacy in this approach is that SPS is implying, in its exhibit 12, that each move in a territorial commodity flow would experience the average number of interchanges for that flow.

For example, for SPC Commodity No. 57, Newsprint, moving within official territory (1972), the waybills in the subsample ranged from around 50 miles to 1,300 miles with the average number of interchanges being 3.07. In the SPS flow chart (No. 8), the cost for the average number of interchanges was included in the total cost *regardless* of the distance. Thus SPS is implying that the number of interchanges is not related to distance. It could be that if the waybills in the subsample were broken down by mileage blocks, (*e.g.*, less than 500 miles, 501-1,000 miles, and greater than 1,000 miles) the mean number of interchanges computed would support the hypothesis that the distance traversed by a shipment is related to the number of interchanges, in that as distance increases, the higher the probability of the number of interchanges. In addition, interchange data for territorial commodity flows for 1972 also substantiates the Commission's 1948 study by reflecting a general relationship between carload interchanges and the length of haul.

SPS in uniformly applying the average number of interchanges to all distances in each flow has overstated the costs of the shorter movements and understated the costs of the longer movements. While inclusion of interchange costs purely on a mileage basis is not the best method of computing such costs, to state the opposite, that is, interchange is totally unrelated to distance, is clearly erroneous.

(b) *SPS' calculation of mileage.*—As previously noted, SPS developed for the subject commodities the average number of miles within each of the applicable cost regions. We agree with SPS that whenever possible the mileages should be split according to the railroad cost region in which the miles occur. Mileage plays an important role in cost finding. Under Rail Form A, miles are basic service unit divisors, *e.g.*, car-miles and ton-miles. As a result, line-haul unit costs are mileage related. In costing a particular movement it is extremely important that line-haul costs be developed using the miles traveled in each region and the mileage-related unit costs of each region.

There are two basic methods of figuring mileage for any given movement, namely: (1) actual route of movement miles by each railroad involved, and (2) miles based on short-line distances. Under the first method, the mileage-related unit costs are assured of being apportioned on a pro rata basis. However, the actual route of movement miles in many instances cannot be determined; thus the second method of calculating mileage based on short-line distance is used. Generally, under this method there is no way to split miles other than an arbitrary geographical breakdown. Therefore, to facilitate costing, the short-line miles are sometimes split 50-50 between the origin and destination cost regions. This is the method employed in the Commission's Burden Study to which SPS is directing its criticism.

The approach followed by SPS in determining the proportion of mileage that occurred within each railroad cost region has merit. However, this approach is subject to some degree of error in that cost regions are determined according to the railroads involved and not by some geographical breakdown. Many railroads operate in more than one cost region. Nevertheless, this geographical breakdown is preferable to the 50-50 split employed in the Commission's Burden Study. Further, such a breakdown of regions was necessitated by SPS' territorial commodity flow costing procedures.

It should be observed that the 50-50 split employed in the Commission's Burden Study could be corrected in two ways. First, the miles developed in the Burden Study are short-line miles generated by the computer. These short-line miles could be broken down by regions according to junction points indicated in the individual freight waybills. Second, a minor revision in the Commission's supplemental statement to the waybill, which details the information required by the Commission, could be made. This revision would require the railroads to show not only the actual route of movement, but also the actual route of movement miles traveled by each railroad. The line-haul costs could then be developed according to the region in which the service occurred.

The development of costs based on actual miles is preferable since, in many instances, the short-line miles increased for circuity bear no relationship to the actual route of movement miles, some mileage being off by several hundred miles.

(c) *SPS' freight car costs.*—The development of freight car costs by SPS is acceptable. SPS has developed car costs in the same manner as they are developed in the Commission's Burden Study, that is, Rail Form A car costs were used according to the specific type of cars identified in the waybill sample.

The suggestion by SPS that car costs be based on daily per diem and mileage rates as published in the AAR's UMLER file has merit. The Commission has consistently held that the use of per diem and mileage payments are preferable to Rail Form A composite average car costs. When per diem or mileage cars rather than owned cars are employed it is the rental paid plus all applicable service expenditures which are the significant costs to the costing carrier. However, it is not always easy to determine the precise amount to be paid because of the various levels of per diem and mileage allowances in effect on various ages of cars. Therefore, some sort of average may have to be used to approximate the appropriate car costs.

Another problem involved in using per diem rates is how the number of active per diem days are to be calculated. Also a problem arises in computing the mileage payments based on short-line miles which in turn have to be increased for circuity.

Moreover, it should be pointed out that because a railroad's own cars and hired cars are used interchangeably for traffic movements, the decision whether to use the railroad's car cost as developed by Rail Form A or per diem charges does not depend solely on whose car is used for the particular traffic. In many instances a combination of these costs on a weighted average basis may be appropriate.

The suggestions of (1) determining the mean car-hire rates for specific-commodity territorial flows, and (2) developing car ownership costs for more discrete groups of cars also have merit. As for the balance of Mr. Boland's suggestions which would result in more precise car costs, we are also in agreement. These ideas deserve further consideration by the Commission.

(d) *SPS' lead and trailer shipments.*—The SPS' adjustments to the variable costs pertaining to movements of lead and trailer shipments are not justified either by a time-and-motion study or logic. Technically these movements of paper and paper products would be classified as multiple-car shipments but from a cost standpoint, a more meaningful result would be obtained by costing these particular shipments as single-car movements. This is due to the fact that the Commission's territorial average costs are based on all types of shipments which would include both single-car and multiple-car shipments. This would imply, then, that these territorial average costs, which are weighted heavily in favor of single-car shipments, represent slightly more than one car per shipment.

Based on the foregoing, it is our conclusion that the variable cost lines shown for these particular exhibits (SPS' Nos. 61-63) are overstated slightly. However, as the variable costs depicted are significantly higher than revenues received for two of the three exhibits, their results would not change. As for the third exhibit, movements of paperboard boxes or containers (SPC No. 64) within official territory, the point at which the revenue equals the variable cost would shift slightly out towards 1,100 miles. This would not affect the conclusion one reaches from this exhibit, i.e., that revenues exceed variable costs for the greatest preponderance of the shipments studied.

(e) *SPS' assigned cars.*—We agree with SPS' adjustment for raising the territorial average empty-return ratios by considering the percentage of equipment in assigned service. We feel that it accurately represents the actual transportation characteristics of the subject traffic and is, therefore, allowable. However, it should be noted that the territorial average empty-return ratios include loaded and empty miles for carrier-owned as well as shipper-owned and privately owned cars. The statistics for carrier-owned cars also reflect cars that are in assigned service. As a result, the SPS empty-return ratios used in the variable costs as presented in the charts to SPS' exhibit 12 may be slightly overstated.

On the topic of circuity factors, we are also in agreement with SPS. Only a current study can reflect the present state of the industry and with the Northeast Rail Reorganization, an acute need exists for a new circuity study. One manner of arriving at actual mileage on a per-movement basis would be the inclusion of this data in the carload waybill sample. This would make possible the computation of circuity factors as part of the waybill study since short-line miles are developed in the study based on the origin and destination cities. Not only could new circuity factors be developed by type of car, as was done in the past, but circuity factors could also be developed by commodity.

3. *Results of SPS' revenue and cost profiles.*—In previous sections, the validity and usefulness of SPS' procedures in general and its five cost considerations were discussed. These procedures and considerations represented an effort by SPS to quantify the traffic service units and related costs for each of the territorial flows. However, in the final analysis, these objectives were not achieved.

For example, two of the five cost considerations, lead and trailer shipment costs and interchange cost, were found improper. The interchange cost adjustment resulted in a significant overstatement of the costs for the shortest distances and an understatement in the cost of the longest distances. The lead and trailer shipment adjustment also resulted in only a slight cost overstatement. Likewise, SPS' adjustment for the use of assigned cars resulted in a very slight overstatement but the argument used in making this adjustment is essentially valid. Further, SPS' consideration of car costs based on actual per diem and mileage payments did not materialize. Of the five cost considerations, only the method of calculating mileage represented a cost refinement.

In addition, the danger inherent in SPS' method of developing a cost line using only two points was noted.

Because of these deficiencies, it may be generally concluded that the results of SPS' study, as depicted in the territorial commodity flow charts, are of limited value. Although these charts indicate some instances where variable costs exceed revenue, more specific and reliable cost and revenue studies would be required to affirm any such finding.

4. *Rebuttal and surrebuttal testimony.*—An analysis of the various rebuttal statements reveals the following: Several of the rebuttal

statements contain essentially the same criticisms of SPS development of its revenue and cost profiles as expressed above. For example, both Fort Howard and GWTA criticize the disparate treatment used in constructing the revenue lines and the cost lines, i.e., the revenue lines were developed based on regression analysis whereas the cost lines were based on a two-point approach. They point out, as above, that in order to measure the true relationship of rates to costs the revenue and cost lines should be comparable. Further, they make the valid argument that the inclusion of average interchange cost and way train service cost at zero miles results in a reduced slope of the cost line, thereby overstating short-haul movements and understating long-haul movements. Both parties are correct that the above infirmities have the greatest effect on those movements identified as having revenues that were exceeded by variable costs. Whether or not a correction of these infirmities, as noted in SPS' territorial commodity flow charts, would result in all paper shipments (including sanitary paper products) being compensatory cannot be readily determined. It is safe to say, however, that a number of shipments shown as being noncompensatory would have become compensatory had these infirmities been corrected.

Fort Howard's contention that the costs shown by SPS would be further reduced had SPS adjusted its costs to reflect two additional adjustments originally intended, is a matter of speculation not supported by any facts. These two adjustments relate to the suggestion that actual per diem and mileage payments be used instead of Rail Form A composite car costs, and actual circuity factors based on a more current study be developed to replace those published by the Commission. Moreover, neither SPS nor Fort Howard attempted to measure the impact that these two adjustments might have on the cost profiles submitted by SPS. It is impossible to determine what effect, if any, these two adjustments would have on SPS cost calculations.

With respect to the four other areas in which Fort Howard states consideration should have been given to more adequately reflect the actual costs, only the one pertaining to billed versus actual weight has merit. I agree with Fort Howard that the use of actual weight is preferable to billed weight since it reflects the true costs of the tonnage that is actually being transported.

In this regard, it should be noted that SPS conducted research in an effort to ascertain precisely what weights are used in the determination of the unit costs as provided by the "Rail Carload Cost Scales." Instruction 4 to schedule 531 of the Annual Report Form R-1, the primary source for the gross ton-miles, indicates that this information should be procured from conductors' or dispatchers' train reports. SPS states that there is no indication in the prescribed reports whether this weight is based on billed or actual weight. Further, SPS claims that in such a situation it is quite likely that there will be no consistent pattern, and the accumulated statistics will be on a mixed basis, i.e., part actual and part billed.

As a result of this research and its findings, SPS concludes that the appropriate procedure in this instance would be to develop actual/billed weight relationships for all commodities in order to fairly assign costs on an actual-weight basis.

Since SPS used billed weight in developing its cost profiles, it was necessary for SPS to recalculate the costs for SPC 63—Sanitary Paper Products, to give effect to the actual weight of the shipments. This commodity was chosen since it has the highest factor of mean billed weight as a percent of mean actual weight. The costs were recalculated for the 1972 traffic flows only. The results are shown in exhibit 1 of SPS' reply statement. Although the costs shown in each profile are lower when based on actual weight, the only territorial flow materially affected by this change in methodology is for movements within official territory. Where all movements had variable costs above average revenues in SPS opening statement, movements in excess of approximately 950 miles now have revenues slightly in excess of costs. However, the great majority of the traffic moving within official territory was shown to be hauled less than 950 miles.

Although SPS recalculated costs for SPC 63 only, it did examine actual versus billed weights for the six other SPC commodity groups in this proceeding. The results, shown in SPS reply statement as exhibit 2, indicate that the two commodities with the highest billed/actual weight ratios, namely, SPC 63—Sanitary Paper and SPC 64—Paperboard Boxes, have high-volume, low-density characteristics. The remaining commodity groups exhibit almost no disparity in billed and actual weight relationships.

In closing its comments on the topic of weight, SPS states that there is a growing body of knowledge that holds that light-loaded cars may actually cause costs at least equal to those normally attributed to heavy-loaded cars. This is reportedly due to some "engineering research" which has indicated that although light-loaded equipment does not incur or cause costs for the *same reasons* as those caused by heavier loaded cars, there may be little difference between the total costs caused or incurred by each.

Thus, SPS has essentially corrected its cost profiles to reflect actual weights where they differed from the billed weights. While there may be little difference between the total costs associated with light versus heavily loading traffic, the "engineering study" which SPS speaks of has not been introduced. Regardless of any engineering study, it is generally recognized that costs should be constructed based on the actual weight being carried. The whole issue of actual versus billed weight will be covered at length later herein.

Fort Howard's recommended adjustment to car costs based on the recent reduction in loading from 2 days to 1 day is clearly improper. This contention was also made by API and GWTA. As SPS points out, the new tariff provision did not go into effect until April 1, 1975, thus its revenues and costs profiles for the year 1966 and 1972 would be unaffected. Moreover, it should be pointed out that tariff free-time provisions are not necessarily indicative of the time it takes a shipper to load a car; rather it merely pertains to the number of days allowed before demurrage charges accrue. As a result, car cost should not be adjusted on the basis of a tariff provision unless it can be shown that it represents the actual loading time. The above car-cost adjustment was also mentioned by a number of other parties. A further discussion of this issue appears in a later section of this report.

Fort Howard also has not supported its argument that the subject traffic tends to move in trains more akin to through trains than way trains. Bearing any evidence to the contrary, the use of both way and through train costs by SPS is appropriate.

Fort Howard's final argument that SPS' terminal switching costs are overstated in relation to switching costs associated with its own operation may well be true. However, Fort Howard has not shown that the switching costs at its paper plants are representative of the switching costs at other paper plants throughout the United States. Thus, for SPS to adjust its costs to reflect the switching-minutes incurred at Fort Howard's plants would be presumptive at best.

As to API's criticism concerning the use of the "upper cost line" by SPS in measuring noncompensativeness, I agree that the use of the middle (mean) cost line is more appropriate. Moreover, SPS by its admission states that the mean cost line is the most significant.

Further, API's claim of multiple-car handling at origin does not necessarily have an effect on the costs developed by SPS. This is because the territorial average costs developed under Rail Form A and used by SPS reflect, to some extent, multiple-car handling.

API's contention that the cost developed by SPS should have been based exclusively on unequipped boxcars has little merit. SPS, in calculating the costs shown in exhibit 12 of its opening statement, properly costed the movements based on the types of cars actually used in the movement of paper, modified to recognize a higher empty-return ratio for assigned cars. For example, the mix of cars used by SPS in costing, ranged from 36 percent unequipped and 64 percent equipped general-service boxcars for pulpboard, other than corrugated, to 66 percent equipped and 34 percent unequipped general-service boxcars for sanitary paper products.

Several parties' contention that SPS has failed to update its revenue-cost comparison to a more current level has merit. Although the Coordinator's order only specified that the rates on the so-called representative and repetitive movements be at the Ex Parte No. 310 level, the inference can nonetheless be made that this also applied to any revenue-cost comparisons shown by the various parties.

We can appreciate SPS' problem of attempting to update the 1966 and 1972 revenues to a more current level due to the numerous adjustments in the basic rates following the various ex parte rate increases. However, it can be done. In response to KCC's allegation, SPS is correct, that costs have not necessarily increased by the same percentage amounts as the authorized percentage rate increases. This is because, as SPS points out, one recent rate increase was based, in part, on revenue need rather than an increase in costs.

KCC contends that based on a study of five of its papermills, the origin switching costs at these locations are lower than the costs used in SPS cost profiles. However, as noted by SPS, this contention is based on the assumption that the operating conditions at KCC's plants and those observed in the Walter Wright study are the same as experienced at all terminals included in SPS' cost profiles. In this regard, we agree with SPS that it has not been shown that the operating characteristics at the five KCC plants are applicable to other sanitary paper producers throughout the industry. Nor has it been shown that the factors developed in the Walter Wright study for some unidentified terminal are applicable to the handling conditions experienced at sanitary paper industries.

Although the evidence of record would tend to indicate that sanitary paper products are generally handled at origin in cuts of more than one car, this does not necessarily mean that the origin switching costs should be adjusted. This is because the Rail Form A average includes cars in both single- and multiple-car cuts. In other words, the Rail Form A territorial average switching cost reflects more than one car per cut. Thus, the use of the incremental factors developed in the Walter Wright study to reduce the switching minutes per car understates costs because they fail to consider this point.

KCC's restatement of SPS' revenue-cost comparisons on sanitary paper products—SPC 63, was improperly calculated for the following reasons:

1. The use of switching-minutes based on five KCC plants for other than KCC traffic has not been justified.
2. The adjustment to car costs based on the recent reduction in tariff free time for loading is also improper for the reasons previously stated.
3. Car costs adjusted to reflect the ratio of the weighted average per diem cost of $2.67 to the average per diem costs for all cars should have been $3.39 instead of $4.09 resulting in a different ratio than that shown by KCC.
4. The use of a combination of way and through train cost is preferable to the use of average weight trains despite the minor infirmity noted by KCC in the wage adjustment found in Rail Form A. This infirmity will be discussed later herein.

As to GWTA's criticism of SPS' method of using least-squares regression techniques to "force" the revenue data into a straight line, I agree with GWTA that this procedure would tend to understate revenues at the lower mileage intervals and overstate revenues at the higher mileage intervals. However, this situation could have been avoided had SPS' revenue and cost lines been constructed on the same basis, i.e., using regression analysis. Using this method meaningful comparisons could have been drawn between the resulting straight lines.

GWTA's redraft of SPS' cost line for its chart number 31 covering wrapping paper and paper bags (official to official) for the year 1972 appears to be an improvement over SPS' method of constructing its cost line. In effect what GWTA has done is to correctly remove way train and interchange costs at the origin, and has separated terminal cost between the origin and destination. Way train costs have been assumed to occur out to 19 miles between origin and destination (average way train haul is 38 miles). Interchange costs have been set halfway between origin and destination for lack of better information. Further, GWTA has apportioned loss and damage between origin and destination.

We agree with GWTA that had SPS accurately constructed its cost line for this particular chart the revenues would exceed costs at all mileages whereas previously SPS showed cost to exceed revenue at distances less than 102 miles.

Part I(C)2: Southern Territory Railroads

A. Opening Statements

Several opening statements were filed on behalf of the southern territory railroads. A number of these statements contained so-called representative and repetitive movements in response to the Commission's order requesting such data on paper and paper products. However, none of these statements included any cost studies or other related cost evidence for use in this proceeding. The southern territory railroads are of the opinion that cost evidence is not relevant in this proceeding, since the rates on paper and paper products are not determined on the basis of costs. The opening statements submitted on behalf of the southern territory railroads are identified below.

1. *Representative and/or repetitive movements.*—Verified Statement No. 1 was submitted by the Seaboard Coast Line Railroad (SCL). A sample of 77 repetitive and representative movements was submitted by this railroad. These movements reportedly cover traffic moving from SCL origins in southern territory to destinations in southern, official, Illinois Rate Committee, and western (including Southwestern Lines) territories. SCL indicates the origins and destinations were selected at random where possible, in an effort to show movements for each minimum weight and for varying mileages.[10] These movements were obtained from SCL's computer printouts for the year 1974. SCL states that due to the format of its computer printouts and time constraints, it was necessary to use averages rather than actual rates, tons per car, revenue per car, revenue per car-mile, and revenue per ton-mile. Although SCL indicates the estimated annual tonnage was unobtainable, it is of the opinion that these movements are representative of paper and paper products traffic moving in connection with the SCL.

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[10] The omission of a movement at a particular minimum weight is the result of the absence of such a movement.

Verified Statement No. 3 was filed by the Illinois Central Gulf Railroad Company (ICG). A sample of 71 representative and/or repetitive movements was submitted by this railroad. In the selection of these movements, ICG employed the following methodology:

Within southern territory

(1) Three movements of so-called heavy papers for each minimum weight, i.e., 36,000, 50,000, 70,000, and 90,000 pounds.

(2) Three movements of groundwood papers minimum 100,000 pounds.

(3) Three movements of light-loading papers (sanitary papers and pads), for each minimum 24,000 and 36,000 pounds.

(4) One movement of newsprint for each minimum weight, i.e., 40,000, 50,000, 80,000 and 100,000 pounds.

From southern to official territory

(1) Three movements of so-called heavy papers for each minimum weight, i.e., 36,000, 50,000, 70,000, and 100,000 pounds.

(2) Three movements of light-loading papers (sanitary papers and pads), for each minimum weight 24,000, 36,000, 43,200, and 50,000 pounds.

(3) Two movements of newsprint for each minimum 40,000, 100,000, and 120,000 pounds.

From Southern to Illinois territory

(1) Three movements of so-called heavy papers for each minimum weight, i.e., 36,000, 50,000, 70,000, and 90,000 pounds.

(2) Three movements of groundwood papers minimum 130,000 pounds.

(3) One movement of newsprint for each minimum weight, i.e., 40,000, 50,000, 100,000, and 120,000 pounds.

From southern to western and southwestern territory

(1) Three movements of so-called heavy papers for each minimum weight, i.e., 36,000, 50,000, 70,000, and 90,000 pounds.

(2) Three movements of light-loading papers (sanitary papers and pads) minimum 24,000 pounds.

(3) One movement of newsprint for each minimum weight, i.e., 40,000, 50,000, and 100,000 pounds. One movement to destinations in western territory minimum 120,000 pounds.

Additionally, in each category referred to above, selections were made on basis of varying mileages and single- versus joint-line traffic.

A statement was introduced by the Louisville and Nashville Railroad Company (L&N). The L&N submitted 74 movements in response to the Commission request for representative and/or

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repetitive movements of paper and paper products. These movements reportedly cover shipments handled by the L&N during 1974, from origins in southern territory to destinations in the southern, official, IFC, and western territories. No mention was made by L&N of any sampling procedures employed in the selection of these movements.

Southern Railway System (SRS) submitted 77 movements which it states are representative of paper and paper products traffic originating at points in the southern territory on SRS and its short-line connections during 1974. SRS indicates these 77 movements account for 189,910 tons which were transported in 4,754 cars. In selecting these movements consideration was reportedly given to varying mileages, varying minimum weights, and different types of paper and paper products to various rate jurisdictions. No other mention is made as to how these movements were selected.

SRS is of the opinion that these 77 movements together with the movements furnished by the other southern territory railroads (detailed above) provide an adequate picture of the general rate and movement situation in the southern territory.

Although SRS states that the rate structure on paper and paper products is not and has never been related to costs, it nonetheless points out that costs in recent years have been rising at a faster rate than the rates. To demonstrate this point SRS introduced comparisons of the 1-percent waybill sample statistics for the years 1966, 1969, and 1972. These comparisons appear below.

TABLE 49

Southern's comparison of revenue, variable cost and contribution on four major paper and paper products moving from southern to southern and official territory for the years 1966, 1969, and 1972

Year	STCC	Cars	Tons	Revenue	Revenue per ton	Variable cost	Variable cost per ton	Contribution	Contribution per ton
1966	262	430	17,921	$183,547	-------	$112,099	-------	$71,448	-------
Do	26311	1,269	57,934	600,251	-------	385,993	-------	214,258	-------
Do	264	393	9,193	133,152	-------	99,469	-------	33,683	-------
Do	265	161	2,556	33,559	-------	26,319	-------	7,240	-------
Total	-------	2,253	87,604	950,509	$10.85	623,880	$7.12	326,629	$3.73
1969	262	487	21,570	247,431	-------	167,438	-------	79,993	-------
Do	26311	1,620	76,370	855,409	-------	607,097	-------	248,312	-------
Do	264	496	10,910	166,819	-------	141,085	-------	25,734	-------
Do	265	170	2,618	38,303	-------	30,683	-------	7,620	-------
Total	-------	2,773	111,468	1,307,962	11.73	946,303	8.49	361,659	3.24
1972	262	515	25,078	336,066	-------	222,836	-------	113,230	-------
Do	26311	1,597	81,926	1,045,563	-------	722,226	-------	323,337	-------
Do	264	494	10,797	217,568	-------	194,474	-------	23,094	-------
Do	265	118	2,035	35,693	-------	28,864	-------	6,829	-------
Total	-------	2,724	119,836	1,634,890	13.64	1,168,400	9.75	466,490	3.89

STCC 262 Paper, except building paper.
STCC 26311 Paperboard, pulpboard and fiberboard, excluding insulating board.
STCC 264 Converted paper and paperboard products, excluding containers and boxes.
STCC 265 Containers and boxes, paperboard, fiberboard and pulpboard.

Between 1966 and 1972, the average revenue on paper and paper products traffic, moving within the southern territory and from the southern territory to the official territory, increased from $10.85 to $13.64 per net ton, an increase of 26 percent. On the other hand, variable cost rose from $7.12 to $9.75 per net ton or an increase of 37 percent during the same period. Contribution per ton increased by 4 percent between 1966 and 1972. Thus, SRS states that with costs escalating at a faster rate than the rates, the carriers are more concerned with the ability of the rate structure to generate sufficient revenue in the future than they are with the revenue/cost relationships in July 1974, as requested by the Coordinator.

B. Rebuttal to Southern Territory Railroads' Opening Statements

None of the statements contained any rebuttal testimony concerning the representative nature of the movements submitted by the southern territory railroads. However, one party (Eastern Canadian Newsprint Producers) did take exception to several of the movements submitted by the southern territory railroads which involve Eastern Canadian Newsprint Producers. These exceptions relate to such alleged discrepancies as the improper inclusion of the delivery increments in the rates, wrong rate levels, lower applicable rates, et cetera.

C. Surrebuttal by the Southern Territory Railroads

The southern territory railroads did not file a surrebuttal statement.

D. Coordinator's Comments

A computation of variable and fully allocated costs for the so-called representative movements submitted by the southern carriers will appear in a later section of this report. While the southern railroads briefly outlined the methodology used in selecting these movements, it failed to specify what sampling procedures, if any, were employed. Therefore, there is no way of knowing if the movements selected are, in fact, representative of the universe of paper and paper traffic handled by the southern carriers during 1974.

Nonetheless, no questions were raised in the rebuttal statements as to the representative nature of these movements. One party (Eastern Canadian Newsprint Producers) did take exception to the rate information shown for several of the movements; however, we are unable to evaluate the merit of their criticisms since the southern territory railroads did not file a surrebuttal statement. It does not appear that these alleged discrepancies (approximately eight in number) would significantly affect the representativeness of the movements submitted.

With respect to the allegation that costs in recent years have been increasing at a faster pace than rates, it should be noted that even though the percentage of cost increases have been higher than the percentage of rate increases, the dollar amount of revenue increase has exceeded the dollar amount of expense increase. For example, it is shown in table 49 that there has been a 4-percent increase (1972 over 1966) in the contribution per ton for the four commodities depicted. Moreover, the contribution per ton (1972 over 1969) increased a sizable 20 percent on this traffic. Thus, concern regarding the ability of the rate structure to generate sufficient revenues in the future appears unfounded.

Part I(C)3: Eastern Territory Railroads

A. Opening Statements

1. *Representative and/or repetitive movements.*—The eastern territory railroads submitted a total of 210 movements in response to the Commission's request for representative and/or repetitive carload movements of paper and paper products. A standardized format for submission was established by the General Freight Traffic Committee of the eastern railroads. Each member railroad was requested to furnish three repetitive movements on each and every type of paper and paper products traffic handled. The 210 movements reportedly represent all submissions returned to the traffic committee by the individual railroads.

Another 40 movements were submitted and reportedly represent typical paper and paper products shipments handled by the Penn Central during 1974.

2. *Revenue-cost relationships on paper and paper products.*—Although no cost data is presented for the eastern territory railroads as a whole, a cost study was undertaken and is included in a separate statement on behalf of the Penn Central Transportation Company.

In this statement a cost study was introduced depicting revenue-cost comparisons on 40 movements of paper and paper products. These 40 movements were selected by Penn Central's Marketing Department and represent movements in which Penn Central was a participating carrier. No mention is made as to how those movements were selected or whether they are representative of paper and paper products traffic handled by the Penn Central in 1974.

The revenue-cost comparisons depicted in this statement cover each entire movement from origin to destination. However, Penn Central has computed its portion of the movement separately from the connecting carrier's costs.

The following information was utilized in costing these movements: (1) the route of movement and the short-line miles within each region with the Penn Central's portion so designated, (2) lading weight per carload for each movement, and (3) costs based on Rail Form A long-term variable reflecting movement in unequipped general service boxcars.

For other than Penn Central's portion of the movements, territorial average cost data were derived from the Commission's Statement No. 1C1-72, *supra*, for the year 1972. The 1972 variable costs for the official region, southern region, and western region were indexed by approximately 31 percent to reflect cost as of May 1, 1975. The costs were also adjusted to reflect interchange cost on a per-occurrence basis. A circuity factor of 17 percent was applied to the short-line-mile statistics.

For Penn Central's portion of each movement, costs were developed for the year 1974 based on an application of the Commission's Rail Form A to the expenses and statistics of the Penn Central Transportation Company. These costs were updated to a May 1, 1975, level based on the updating procedures outlined in Commission's Statement No. 2-58, *supra*. No circuity factor was built into the unit costs since the mileage statistics developed on Penn Central's portion of the movements reflect actual route of movement operating miles.

The 1974 revenues for each movement were also reportedly updated to a May 1, 1975, level.

The variable costs and revenue contribution results on the above 40 movements shown by Penn Central are shown below. The results indicate that carload revenue exceeded variable costs on 30 of the 40 movements shown when the entire movement from origin to destination is considered. However, when only Penn Central's portion of each movement is considered, Penn Central's portion of the carload revenue exceeded its variable costs on only 25 of the 40 movements depicted.

TABLE 50

Comparison of revenue and variable cost—separated between Penn Central's portion of each movement, the connecting carrier(s)' portion, and for the total movement (revenues and cost at the May 1, 1975, level)

STCC Code	Origin	Destination	PC revenue	PC variable cost	Connecting carrier(s) revenue	Connecting carrier(s) variable cost	Total revenue	Total variable cost	Contribution per car
2651141	Anderson, Ind	Louisville, Ky	$340.80	$249.42	------	------	$340.80	$249.42	$91.38
2647140	Detroit, Mich	Miami, Fla	286.07	422.43	$487.93	$479.89	774.00	902.32	(128.32)
2647135	Detroit, Mich	Mobile, Ala	220.50	228.58	409.50	311.74	630.00	540.32	89.68
2647115	Detroit, Mich	Mobile, Ala	220.50	229.75	409.50	314.40	630.00	544.15	85.85
2647135	Detroit, Mich	Jacksonville, Fla	215.03	230.86	436.57	339.53	651.60	570.39	81.21
2647115	Carthage, N.Y	Miami, Fla	303.24	364.07	563.16	510.14	866.40	874.21	(7.81)
2647115	Carthage, N.Y	Jacksonville, Fla	315.36	364.07	418.04	387.85	733.40	751.92	(18.52)
2647110	Carthage, N.Y	Savannah, Ga	320.79	364.07	367.01	325.27	687.80	689.34	(1.54)
2647110	Carthage, N.Y	Savannah, Ga	323.27	364.07	364.53	339.43	687.80	703.50	(15.70)
2647110	Cheboygan, Mich	Detroit, Mich	126.14	196.65	113.86	170.59	340.00	367.24	(27.24)
2647110	Detroit, Mich	Memphis, Tenn	210.17	230.86	390.23	228.64	500.40	459.50	40.90
2647110	Detroit, Mich	Memphis, Tenn	257.93	230.43	242.47	289.29	500.40	519.72	(19.32)
2647110	Detroit, Mich	Mobile, Ala	315.00	356.47	385.00	288.25	700.00	644.72	55.28
2631116	Williamsport, Pa	Cleveland, Ohio	592.00	362.86	------	------	592.00	362.86	229.14
2631116	Williamsport, Pa	Richmond, Va	394.57	266.16	241.83	157.50	636.40	423.66	212.74
2631116	Williamsport, Pa	Buffalo, N.Y	490.00	303.63	------	------	490.00	303.63	186.37
2631116	Red Bank, Ohio	Indianapolis, Ind	646.60	267.38	------	------	646.60	267.38	379.22
2631115	Massillon, Ohio	Cleveland, Ohio	216.00	218.45	------	------	216.00	218.45	(2.45)
2631115	Monroe, Mich	Philadelphia, Pa	1,043.40	514.06	------	------	1,043.40	514.06	529.34
2621490	Blawnox, Pa	Cincinnati, Ohio	238.93	216.75	71.21	98.31	309.60	315.06	(5.46)
2621490	Blawnox, Pa	Indianapolis, Ind	356.80	346.56	------	------	356.80	346.56	10.24
2621490	Kalamazoo, Mich	Baltimore, Md	265.93	204.99	493.87	355.79	759.80	560.78	199.02
2621345	Lock Haven, Pa	Indianapolis, Ind	721.00	480.58	------	------	721.00	480.58	240.42
2621345	Lock Haven, Pa	Detroit, Mich	830.00	447.78	------	------	830.00	447.78	382.22

Comparison of revenue and variable cost—separated between Penn Central's portion of each movement, the connecting carrier(s)' portion, and for the total movement (revenues and cost at the May 1, 1975, level)—Continued

STCC Code	Origin	Destination	PC revenue	PC variable cost	Connecting carrier(s) revenue	Connecting carrier(s) variable cost	Total revenue	Total variable cost	Contribution per car
2621345	Johnsburg, Pa	Salem, N.C	$504.40	$331.84	$465.60	$286.34	$970.00	$618.18	$351.82
2621345	Johnsburg, Pa	Salem, N.C	371.32	286.13	598.68	290.86	970.00	576.99	393.01
2621345	Johnsburg, Pa	Miami, Fla	395.83	320.43	1,040.57	588.53	1,436.40	908.96	527.44
2621345	Kalamazoo, Mich	Atlanta, Ga	343.75	261.41	537.65	259.87	881.40	521.28	360.12
2621345	Kalamazoo, Mich	Atlanta, Ga	343.75	152.69	537.65	501.94	881.40	654.63	226.77
2621345	Niagara Falls, N.Y	Philadelphia, Pa	493.64	292.59	211.56	152.49	705.20	445.08	260.12
2621345	Niagara Falls, N.Y	Philadelphia, Pa	705.20	415.68			705.20	415.68	289.52
2621216	Carthage, N.Y	Indianapolis, Ind	980.00	581.65			980.00	581.65	398.35
2621216	Carthage, N.Y	Detroit, Mich	305.86	242.94	228.74	201.88	534.60	444.82	89.78
2621215	Carthage, N.Y	Detroit, Mich	222.00	230.26	166.80	191.17	388.80	421.43	(32.63)
2654310	Three Rivers, Mich	Baltimore, Md	640.00	567.09			640.00	567.09	72.91
2654310	Three Rivers, Mich	Baltimore, Md	224.00	189.47	416.00	346.57	640.00	536.04	103.96
2654310	Three Rivers, Mich	Kansas City, Mo	196.99	200.48	289.41	221.92	486.40	422.40	64.00
2654300	Three Rivers, Mich	St. Louis, Mo	486.00	385.84			486.00	385.84	100.16
2654310	Three Rivers, Mich	St. Louis, Mo	184.68	182.00	301.36	223.07	486.00	405.07	80.93
2654310	Three Rivers, Mich	Buffalo, N.Y	486.40	378.20			486.40	378.20	108.20

B. Rebuttal to Eastern Territory Railroads' Opening Statements

Three rebuttal statements were submitted in response to the separate opening statements filed by the eastern railroads and the Penn Central Transportation Company. However, only two statements contained rebuttal testimonies relating to the cost evidence.

1. *Rebuttal of Fort Howard Paper Company.*—Fort Howard points out that except for an actual count of interchanges and the use of Penn Central Rail Form A costs for its portion of each movement, the costs developed for the 40 paper and paper products shipments are based on the territorial average Rail Form A. Thus, Fort Howard contends that due to the lack of specificity regarding the actual transportation characteristics attendant to sanitary paper products movements (the traffic which Fort Howard is concerned with) the Penn Central's study cannot be considered as indicative of the profitability of sanitary paper products traffic.

2. *Rebuttal of American Paper Institute (API).*—API's main contention is that the Penn Central's costs which are based on Rail Form A are overstated. API states that Rail Form A has been shown in prior cases to overstate origin switching and car-day costs for paper traffic. Further, API points out that increased efficiency and cost reductions should result from the implementation of the Regional Rail Reorganization Act of 1973 which provides for the rehabilitation and coordination of the northeastern rail network. The financial projections of the U.S. Railway Association's Final System Plan rely on such improvement. Thus, API claims that the costs developed by the Penn Central lead to less favorable revenue/cost relationships than can be expected to result from USRA's projections.

C. Surrebuttal by Eastern Territory Railroads

The eastern territory railroads as a whole did not file a surrebuttal statement. However, the Penn Central did file an individual surrebuttal statement.

In response to Fort Howard's criticism of a lack of specificity in costing the 40 movements, Penn Central agrees that reflecting the operating characteristic of the traffic under study is always the desired goal. It is argued that this goal is not always obtainable due to constraints of time and resources available. However, Penn Central states that it did develop its own unit costs and operating miles for its portion of the selected paper movements, which to some extent represent an improvement over the use of territorial average costs.

With respect to the comment made by API concerning the effect of restructuring the northeast railroads, Penn Central maintains that the rail operations will still have to contend with the complexities of switching at large cities which will always mean higher switching and car detention costs.

D. Coordinator's Comments

My computation of variable and fully allocated costs for the so-called representative and repetitive movements submitted on behalf of the eastern railroads appear in a later section of this report. Although a standardized format for submission of the movement data was established by the railroads, there is no indication that any sampling procedures were employed in selecting these movements. The same situation holds true with respect to the statement of Gift Wrappings and Tyings Association, i.e., no mention was made of any sampling procedures. In both statements the railroads merely indicate that these movements are "representative" of movements handled by either the eastern railroads or the Penn Central during 1974. Nonetheless, the representativeness of the movements submitted was not an issue raised in the various rebuttal statements.

The cost and special study data submitted by Penn Central cannot be verified since the Rail Form A application and other pertinent supporting data used in the computation of the costs were not made part of the record. Although we were unable to determine the accuracy of these costs since only the end results were shown, the development of Rail Form A costs for the Penn Central is acceptable. Specific information relating solely to the involved railroad is preferrable to regional averages where such specific information reflects the traffic in question.

The method employed in updating Penn Central's 1974 costs to a May 1, 1975, level is also acceptable. While the statistics used in updating the costs were not shown, the resulting update ratio of 10.5 percent for the Penn Central does not appear unreasonable in comparison to update ratios developed by the Commission for internal use for the eastern region for the same time period.

Although Penn Central did not specify the methodology employed in updating the 1972 territorial average costs, which were used in computing costs for the connecting carriers, we assume it used the procedure outlined in the Commission's Statement No. 1-58, *supra*, in updating these costs. The resulting 31 percent update ratio for indexing the territorial average costs from a 1972 to a May 1, 1975, level also appears reasonable in comparison to update ratios developed by the Commission for the same time period.

As noted, it was not possible to verify the variable costs for the 40 movements shown by Penn Central. However, a comparison between the costs computed by Penn Central and the restated costs appearing in a later section for the same movements reveal some differences in costs. For example, based on our computation of cost, carload revenue exceeded variable costs on 39 of the 40 movements shown whereas Penn Central shows 10 of the 40 movements to be below variable costs. The difference is probably due to the fact that we developed costs for each entire movement based on territorial average costs. On the other hand, Penn Central developed costs based on a combination of territorial average costs and Penn Central individual Rail Form A costs. It is generally recognized that Penn Central's unit costs are slightly higher than the territorial average costs.

With respect to the revenue-cost showing on Penn Central's portion of each movement, any revenue deficiency or the failure of revenue to adequately cover variable costs may be due to a division of revenues between Penn Central and the connecting railroads rather than the overall revenue deficiency on the subject traffic, although the evidence of record does not permit any conclusions in this regard.

API's criticism that Rail Form A procedures overstate origin switching and car-day costs for paper has not been supported by any study. However, this criticism will be covered in detail in a later section herein.

As regards to API's comment concerning the Regional Rail Reorganization Act of 1973, the improvements in the northeastern corridor at this point are a matter of conjecture as are any projected cost savings.

There is some merit to Fort Howard's criticism of a lack of specificity in costing the movements shown by Penn Central. However, the use of averages of some kind in Rail Form A costing is inevitable. Further, Penn Central attempted to refine these costs to some extent by developing individual Rail Form A costs for its portion of each movement. Moreover, both the Penn Central Rail Form A costs and the territorial average costs employed for the connecting carrier(s)' portion of each haul were adjusted to reflect certain actual operating conditions, such as actual shipment weight, actual route of movement, and actual number of interchanges.

Part I(C)4: Western Railroads

Four verified statements were submitted on behalf of the western railroads including a general submission of the western district carriers.

Verified statements were submitted on behalf of the western district's mountain Pacific territory carriers which include the Atchison, Topeka and Santa Fe Company, the Burlington Northern, the Southern Pacific Transportation Company, and the Union Pacific Railroad Company; on behalf of the western district's Lake States carriers, whose participating member carriers are the Burlington Northern, Inc., the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the Soo Line Railroad Company, the Green Bay and Western Railroad Company, and the Chicago and North Western Transportation; and by the Missouri Pacific Railroad Company on behalf of the western district's southwestern lines.

1. *Representative and/or repetitive movements.*—Only two of the above statements contained movement data in response to the Commission's request for representative and/or repetitive carload movements of paper and paper products.

A sample of 74 representative and/or repetitive movements was selected by the four mountain Pacific territory railroads. The movements studied reportedly represent the principal movements of paper products experienced by the above-mentioned four carriers.

A total of 180 representative and/or repetitive movements were also selected for presentation by the southwestern line members. The movements submitted are supposedly representative of paper and paper products originating from points in the southwestern territory and destined to points within the continental United States.

No mention is made in either of the two above statements as to how these movements were selected other than the statement that they consist of major movements of paper products handled by the western carriers during 1974.

2. *Revenue-cost relationships on paper and paper products.*—None of the statements introduced by the western railroads contained revenue-cost relationships or other cost evidence relating to paper and paper products.

A. Rebuttal to the Western Railroad's Opening Statement.

None of the statements contained any rebuttal testimony relating to cost evidence.

B. Surrebuttal by the Western Railroads.

The western railroads did not file a surrebuttal statement.

C. Coordinator's comments.

As noted above, no mention was made by the western railroads of any sampling procedures employed in the selection of its so-called representative movements. Therefore, there is no way to attest to the representativeness of these movements. Nonetheless, no questions were raised in the rebuttal statements as to the representative nature of these movements.

Our computation of variable and fully allocated costs for the so-called representative movements submitted on behalf of the western railroads appears in a later section of this report.

Part I(C)5: American Paper Institute (API)

A. Opening Statements

Several statements were submitted on behalf of API.

1. *Representative and/or repetitive movements.*—No movements were submitted by API in response to the Commission's request for representative and/or repetitive carload movements of paper and paper products.

2. *Revenue-cost relationships on paper and paper products.*—API has submitted little in the way of cost evidence. API merely takes note of a paragraph appearing in the Coordinator's order of March 9, 1975, which states that:

> A comparison of the 1966 and 1969 burden studies discloses that the costs for transporting paper and paper products has increased at a faster rate than revenues derived from its transportation.

Due to the apparent emphasis on the Burden Studies and the fact that the same costing procedures as the Commission's so-called Burden Study were used to derive the general relationships of cost lines to rate patterns in appendix A of the Coordinator's order served May 19, 1975, API is of the opinion that a general discussion of the Burden Study is warranted.

API points out that the Commission's Burden Studies compare revenue and costs for rather generic commodity groups for the traffic flows within and between the three major territories, official, south, and west. In this regard it is argued that the Burden Studies provide a somewhat limited view of the relationships between revenues and costs and of the structure of the rates which move traffic. These studies serve to point out traffics which appear to be handled at a loss, a burden on other shippers, and to traffics which appear to contribute substantially more than the average to the burden of fixed costs. To this end, API agrees that the Burden Studies are useful.

However, API states that the principal flaw in the Burden Studies is that all their numbers are averages as traffic flows, and revenues are grouped under quite broad headings. Consequently, these studies suffer from a lack of specificity which makes their use in evaluating rail rate structures applicable to specific commodity flows inappropriate. Further, API states that the costs developed in the Burden Studies are deficient for a number of reasons, namely: (1) The allowances made for circuity by car type are based on a 1968 study[11] which is outdated; (2) the number of interchanges is based on national averages calculated some years ago; (3) for interterritorial moves, the computations arbitrarily assume one-half the mileage in the origin territory and one-half in the destination territory; and (4) billed weights are used to determine cost.

API suggests that the costs developed in the Burden Study could be improved by:

(1) Utilizing actual miles, instead of short-line miles adjusted for circuity. This could be done by reviewing the junctions reported on the waybills for the traffic under study.

(2) Employing the actual number of interchanges from the waybill study.

(3) Ascertaining actual territorial shares of mileage for interterritorial moves.

(4) Using actual net weights where they differ from the billed weights.

In addition, API offers comments regarding the appropriateness of using fully allocated costs as presented in the Commission's Burden Studies. API is of the opinion that fully allocated costs are not applicable in ratemaking, nor do relationships between revenues and fully allocated costs have any bearing on the evaluation of the rate structure or of individual rates. Accordingly, revenues which exceed variable costs make a contribution to the "burden" of fixed cost and profit. API agrees that if the railroads are to continue to function, the total of the contribution from all traffic must equal or exceed the total fixed (or constant) costs. However, it is argued that the manner in which the contributions are shared among various components of total traffic is related to elasticity of demand and value of service, and has nothing to do with costs.

Moreover, API states that the artificial nature of the concept of fully allocated cost is emphasized by a lack of theoretical basis for distributing constant costs, i.e., they cannot be traced to particular units of output or classes of customers. Thus it follows that any allocation of constant costs is purely arbitrary and not a cost ascertainment procedure.

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[11] "Circuity of Rail Carload Freight," I.C.C. Bureau of Economics, Statement No. 68-1.

In addition API points out that deficiencies contained in the 1969 Burden Study, which were specifically noted in the Report of the Coordinator in Ex Parte No. 270, *supra* (1973), renders any valid comparison between the 1966 and 1969 Burden Study results questionable.

Finally, API contends that one of the crucial benchmarks in evaluating carrier rates is their overall profitability. In this regard, it points out that the charts and accompanying data in appendix A of the Coordinator's report of June 9, 1975, show that paper and paper products traffic moving on the Nation's railroads in 1966 was generally compensatory.

B. Rebuttal to American Paper Institute's Opening Statement.

Although several statements were filed in response to API's opening statement, none of the statements contained any testimony relating to cost evidence.

C. Surrebuttal by the American Paper Institute.

API has submitted no new evidence in its surrebuttal statement.

D. Coordinator's Comments.

We agree in part with the comments made by API concerning the limited value of the Commission's Burden Studies. Essentially, the Burden Study was designed to show general relationships between commodities. Since the costs developed in the Burden Study are based on broad averages, the revenue-cost relationships are not necessarily applicable to specific commodity movements. Nonetheless, the Burden Studies are of great value in measuring the general level of costs and revenues of large segments of traffic.

While API is correct in that fully allocated costs do not have a direct bearing on the compensatory nature of individual rates, fully allocated costs are useful in the evaluation of the overall revenue contribution of a particular rate structure such as paper and paper products. Statistical apportionment of constant costs can be helpful in appraising the relative level of rates with consideration also given to value of service factors.

The four criticisms raised by API concerning the costing procedures employed in the Commission's Burden Studies have merit. While these infirmities do not render the Burden Studies results invalid, nor do they have a significant effect on the intercommodity relationship found therein, API is correct that the costing procedures utilized in the Burden Studies need additional refinements. In this regard, API's four suggested improvements are steps in the right direction toward improving the accuracy of these studies.

Part I(C)6: Kimberly-Clark Corporation (KCC)

1. *Representative and/or repetitive movements.*—KCC did not submit any movement data, per se, in response to the Commission's order requesting freight rates on representative and/or repetitive movements of paper and paper products. This shipper did submit limited data based on a traffic study of sanitary paper shipments from five KCC plants to various rate territories. However, it was not possible to develop revenue-cost comparisons on these shipments since the necessary traffic data was not shown.

2. *Revenue-cost relationships on paper and paper products.*—While KCC did not submit any revenue-cost relationships on the above-mentioned traffic, the party does make reference to the revenue-cost charts contained in the Coordinator's initial order in this subproceeding, served May 19, 1975. These charts purport to show revenue-cost comparisons on specific paper products. The basic revenue and traffic service data used in the development of the charts was taken from the Commission's 1966 1-percent waybill study. The basic source of the cost data was the Commission's Statement No. 9-66, *supra.* With respect to these charts, it is KCC's contention that the application of broad territorial average Rail Form A costs, in the case of sanitary paper products, results in a substantial overstatement of the actual costs of handling this particular commodity.

To support this contention, KCC conducted an actual study of its sanitary paper traffic handled during the month of May 1975. The purpose of this study was to develop the transportation characteristics associated with sanitary paper movements. This 1-month study is claimed to be representative of an average month for the preceding 12 months.

KCC states that, based on its study, a number of observations can be made concerning the costing procedures employed in developing the charts in the initial order. For example, it points out that billed weights rather than actual weights were taken from the waybills. Ordinarily, this would not present a problem, but in the case of sanitary products, the cars are frequently loaded below the minimum weight. This is supported by KCC's study which indicates that the billed weight on the movements studied were 23 percent higher than the actual weight. Thus, the use of billed weights by the Commission for costing sanitary paper products results in an overstatement in instances where the actual lading weights are less than the minimum or billed weight.

KCC also questions the method employed in splitting the mile 50-50 between the origin and destination cost regions. This method results in the line-haul costs being apportioned on the basis of the 50-50 mileage split. In the case of movements originating or terminating in New England (at KCC's Connecticut mill) this can cause a cost overstatement since most of the movement is through official territory excluding New England. As a result of the 50-50 split, however, the higher New England line-haul cost would be used.

KCC also points out that interchange costs were calculated on a car-mile basis rather than on a per-car actual-interchanged basis. This is due to the fact that the actual number of interchanges was not developed from the 1-percent waybill study. It is argued that the failure to develop the actual number of interchanges results in an overstatement of the costs. Interchange statistics developed by KCC based upon the above study were shown to support this contention.

Further, KCC argues that the territorial average costs developed by the Commission do not reflect the saving in switch engine time caused by large number of cars tendered for switching at paper mills. To illustrate this point, KCC submitted the results from a study of the number of cars per switch handled at each of its sanitary paper plants for the first 6 months of 1975. The results are summarized in table 51 below.

TABLE 51

Number of cars per switch at five KCC plants based on first 6 months of 1975

Plant	*Cars per switch*
Neenah, Wis	28.6
New Milford, Conn	27.1
Beech Island, S.C	29.7
Memphis, Tenn	47.0
Fullerton, Calif	22.3

KCC also indicates that no attempt was made to adjust the territorial average switching costs for the size of small towns in which papermills are generally located. For example, it is argued that in cities below 5,000 population, the switching minutes per car are only one-fourth of the territorial average.

In addition, the car costs at origin are alleged to be overstated due to the recent change in free time allowed for loading which changed from 2 days to 1 day. Moreover, the territorial average car costs are reportedly weighted in favor of the more expensive equipped boxcars rather than the less expensive unequipped boxcars utilized by sanitary paper shippers.

Finally, KCC states that the Commission's Rail Form A adjustment for crew costs for way and through trains is improper. Under Rail Form A procedures, train and engine crew wages are treated as a function of train-miles. The train-mile expenses are divided by the trailing gross-ton miles to develop the cost applicable to the tare weight and net loading of a particular commodity.

To illustrate this point, KCC submitted the 1974 Form A wage cost per train-mile for an unidentified major railroad. Based on this railroad, wages per train-mile in local service averaged 19.7 percent higher than wages computed for the average-size train. This illustration is shown in table 52 below:

TABLE 52

1974 Form A wage cost per train-mile

	Way trains	Through trains	All trains
1. Wages	$44,188,880	$78,621,696	$122,810,576
2. Train-miles	26,492,400	61,607,088	88,099,488
3. Cost per train-mile	$1.66798	$1.27618	$1.39400
4. Ratio of way and through to all	1.19654	0.91548	1.00000

However, this illustration fails to recognize an important distinction between way train service and through train service in that way train crews spend a greater proportion of their on-duty time in switching service than do through train crews. KCC notes that wages for this service are excluded from running costs and included in switching costs under Rail Form A procedures. Therefore, the proper unit costs in calculating wages attributable to running service should be train-mile wage costs in running service.

Further, KCC states that studies have been made of way and through train operations for many carriers that show the proportion of train switching is much greater for way trains than for through trains. For example, if it were assumed that 3 percent of the wages of through train crews would be attributable to train switching and 25 percent of the wages of way train crews would be attributable to train switching then this would have the following effect as illustrated in table 53 below.

TABLE 53

Development of 1974 Form A wage cost per train-mile adjustment to reflect train switching

	Way trains	Through trains	All trains
1. Wages	$44,188,880	$78,621,696	$122,810,576
2. Percent train switching	25	3	----------------
3. Percent running service	75	97	--------
4. Wages charged to running service (L. 1 x L. 3)	$33,141,660	$76,263,045	$109,404,705
5. Train-miles	26,492,400	61,607,088	88,099,488
6. Cost per train-mile	$1.25099	$1.23789	$1.24183
7. Ratio of way and through to total	1.00738	.99683	1.00000

As shown in table 53 above, when the proportions of wages attributable to switching service is excluded from way and through trains, the train-mile costs in running service are about equal, rather than 19.7 percent apart.

In conclusion, KCC states that due to the above-mentioned factors, the application of broad territorial Rail Form A costs as was done in the initial order results in a substantial overstatement of the actual costs of handling sanitary paper traffic.

A. Rebuttal to KCC's Opening Statement

Several rebuttal statements were submitted in response to the opening statement filed by KCC. However, only one contained testimony relating to cost evidence.

1. ***Rebuttal of SPS.***—SPS notes that KCC included a discussion on the inappropriateness of using the billed weight of lading in lieu of the actual weight of lading, specifically in connection with sanitary paper products. SPS agrees with KCC that for costing purposes the actual weight should be used, since the actual rather than the billed weight influences the service unit requirements in transporting a particular commodity. However, SPS states that based on an examination of the major paper products being considered in this proceeding, only on two commodity groups, sanitary paper and paperboard boxes, were the actual weights different from the billed weights. Other than these two commodity groups, the other groups studied exhibited almost no disparity in billed and actual weight relationships.

In addition, it was observed that KCC stated that paper and paper products generally require only plain, unequipped general-service boxcars. This raises the question that if a more expensive and better equipped car is furnished by the railroads in lieu of the type actually required or ordered by the shipper, should costs be based on the cars needed or the cars supplied? SPS is of the opinion that costs should be based on the type of car ordered. In principle, the shipper should not have to pay a rate based on the cost of car types that exceed his requirement. On the other hand, SPS recognizes that the railroads should not be penalized because they are attempting to create a better car fleet. Accordingly, SPS advocates that the type of car ordered and the type of car furnished be included in the 1-percent waybill sample. Further, it suggests that a determination be made as to whether railroad car acquisition practices are meeting shipper needs with respect to type of equipment.

B. Surrebuttal by KCC

KCC did not file a surrebuttal statement.

C. Coordinator's Comments

It should be emphasized that the charts in the initial order showing revenue-cost relationships, which KCC has criticized were prepared by the Commission's staff primarily for informational purposes only. Because of the averaging techniques employed in the study, the charts provide only a general relationship of cost lines to rate patterns. No attempt was made to develop the precise costs of specific movements nor to reflect the actual conditions under which the traffic is handled. In order to develop such costs, additional information, none of which was available, would be required. This information can only be obtained from the carriers themselves or through special studies which are expensive and time consuming. As a result, the Commission's staff had no alternative but to follow a generalized approach in developing the cost lines for paper traffic.

Nevertheless, a number of the criticisms raised by KCC have merit. For example, we agree that the use of the actual shipment weight is preferable to the billed weight for costing purposes. It is the actual shipment weight being carried that influences costs and not some assumed minimum weight which may or may not be carried. Sanitary paper traffic moves on a minimum-weight basis and even though the actual weight handled may be less than the minimum weight, the shipper is nonetheless billed for the minimum weight. Costs which reflect the minimum weight would overstate the actual costs of handling that particular movement. However, a word of caution is in order. When calculating costs based on the actual weight which is less than the minimum, one must remember to compare the total shipment revenue received with the total variable shipment costs since the two are not comparable if calculated on a per-hundredweight basis.

The overall effect of the Commission's failure to develop costs based on the actual weights instead of billed weights cannot be readily determined. This would require pulling each individual waybill in the 1-percent waybill sample and comparing the billed weight against the actual weight, since only the billed weights are recorded on the waybill tape. Nonetheless, we agree with the comments made by SPS that only two commodity groups, sanitary paper products and paperboard boxes, appear to be affected by the disparity between billed and actual weights.

This whole issue of *actual* versus *billed* weights can be resolved easily in the future. The crux of the problem is that in the 1-percent waybill sample the billed weight is taken from the waybills rather than the actual weight. In other words, the actual weight of lading appears on each waybill but for some unexplainable reason the actual weight is not keypunched. As a result, the information does not appear on the 1-percent waybill computer tape which was the source document used to develop the traffic service units in the initial order, and is also the basis for the Commission's so-called Burden Study.

Thus, it is recommended that a change be made in the waybill computer tape to include the actual weights of lading in addition to the billed weights. Since the Department of Transportation is currently in charge of the Carload Waybill Study, a request will have to be made of that Agency to make the necessary revisions.

KCC's criticism of the method employed in splitting the miles on a 50-50 basis has merit. We agree that whenever possible the mileages should be split according to the railroad cost region in which the miles occur. Unfortunately, the miles developed in the 1-percent waybill study (which was the basis of the Commission's staff study) are short-line miles generated by a computer. Generally, under this method there is no way to split miles other than on arbitrary geographical split. Therefore, to facilitate costing, the short-line miles were split 50-50 between the origin and destination cost regions. For a further discussion on this topic, along with recommendations for correcting this problem, refer to earlier comments under the heading "SPS' Calculation of Mileage."

KCC's contention that the calculation of interchange cost on a car-mile basis rather than on a per-car actual interchange basis results in a cost overstatement, has merit only insofar as their example is concerned. However, interchange statistics developed by KCC based on a study of its own movements are not necessarily applicable to movements included in the 1-percent waybill sample which were for other sanitary paper shippers. Since no studies of the actual number of interchanges were conducted for other than KCC's traffic, it is impossible to determine whether the impact of developing interchange cost on a mileage basis would actually understate or overstate the cost for the subject traffic.

KCC is correct that handling a large number of cars per switch entails a cost savings due to a reduction in the switch engine-minutes required per car. Although the evidence of record indicates that sanitary paper products are generally handled at origins in cuts of more than one car, this does not necessarily mean that the territorial average switching-minutes should be adjusted. This is because the territorial average switching-minutes reflect switching in both single-car and multiple-car cuts. Thus, the territorial average switching-minutes reflect several cars per cut.

Nonetheless, the number of cars per cut shown by KCC, based on a study of its paper plants, appears considerably higher than the territorial average number of cars per cut. To this extent, the costs shown in the initial order for sanitary paper products are slightly overstated insofar as KCC's traffic is concerned. The degree of overstatement, if any, for the remaining sanitary paper traffic cannot be determined. KCC has not shown that the number of cars per cut tendered at its paper plants are representative of switching conditions at other shippers' paper plants.

KCC's contention that the switching cost should be adjusted to reflect differences in size of city based on the results of Commission studies shown in Statement No. 7-63, *supra,* has merit. These studies indicate that on an average basis, there is some relationship between the size or population of a community and the switching-minutes per car; and that generally, cars switched at terminals in smaller cities require fewer switching-minutes per car. This adjustment is appropriate in theory but application of the adjustment here assumes that all papermill products originate in communities which have relatively small populations. KCC, however, has submitted no substantive evidence which would indicate that the population and switching conditions at papermill origins are any different than other types of industries. Moreover, it has not been shown that the population at cities where the five KCC papermills are located are representative of the population of other cities where papermills are located.

KCC's contention that Rail Form A does not properly handle wage expenses in regard to way and through train cost also has merit. It is reasonable to assume that train switching expenses are improperly included in the calculation of way and through train wage cost per mile, and if the train portion of the wages is removed, then there would be little difference in the wage per mile between a way and through train. An examination into the wage adjustment problem reveals the following.

The wage-per-mile adjustment in Rail Form A is based on compensation for employees engaged in operating way and through trains and the miles actually run. The data is taken from wage reports, and it is reasonable to assume that a portion of the compensation is related to train switching. The wage per mile is considerably higher for way trains than through trains. This is probably because a larger portion of way train compensation is attributable to train switching than in the case of through trains. Since train switching relates more closely to time than distance, the cost per mile for way trains, including compensation for train switching, would be overstated.

However, the switching adjustment to way and through train compensation would probably be insignificant because the compensation to be eliminated would be minimal. Further, the elimination of train switching compensation from the way and through train compensation would make the line-haul cost per car-mile in the Commission's Rail Carload Cost Scales differ very little between way and through train. This is because there are other factors which influence the line-haul cost per car-mile such as the weight of the train and number of locomotive units.

The Commission is aware of this problem and consideration is being given as to whether a change is warranted in the wage-per-mile adjustment.

This problem may disappear when the new Uniform System of Accounts becomes effective. Under the proposed new System of Accounts, the railroads will be required to report crew wages and related fringe benefits separately between switching and running. This will eliminate the need for using statistical procedures for isolating switching compensation.

With regard to the issue raised concerning the type of car furnished versus the type of car ordered or required, it should be pointed out that this is basically a service consideration rather than a cost issue. For additional information concerning the service aspect of this issue, reference should be made to 49 CFR §1300.66. Essentially, rule 66 states:

> *** when a car of the dimensions or capacity ordered by the shipper cannot be properly furnished, and when the carrier for its own convenience does provide a car of greater dimensions or capacity than ordered, such car may be used on the basis of the minimum carload fixed in the tariffs for cars of the dimensions or capacity ordered by the shipper.

Thus this would indicate that the carriers' charges are generally predicated on the basis of the car ordered.

On the other hand, the car type selected for costing purposes is quite critical. In the case of sanitary paper traffic, the use of costing factors applicable to a box general-service *equipped* car will give much higher costs than would be obtained using cost factors applicable to a box general-service *unequipped* car. The higher costs result from the heavier tare weight of the equipped car versus lighter tare weight of the unequipped car plus the higher empty-return ratio for the equipped car versus that for the unequipped car.

However, contrary to what several parties advocate, the cost of transportation should not be based on the type of car ordered. Regardless of any service considerations, it is the type of car actually used which affects the cost of providing the service and not the car which may have been preferable to use.

KCC's contention that the car costs are overstated due to the recent change in free-time provision for loading is without merit. The reduction in terminal car cost as a result of the reduced free time allowance, specified in I. and S. No. 8963, *supra,* is improper. The 2-day loading allowance shown in the Commission's Rail Carload Cost Scales is an estimate of the average time at shipper's facility required for loading and was intended to include both the free time and the time demurrage charges accrued.

The demurrage tariff provision in I. and S. No. 8963, *supra,* deals only with free time and does not include demurrage time. Consequently, it is improper to reduce the car-days for loading as a result of a reduction in a tariff provision of free time from 2 days to 1 day. Moreover, since the car costs are currently predicated on 2 days for loading, the reduction of car cost on the basis of 1 day would mean that costs could not be recovered unless for some remaining traffic the car cost was increased upward to offset the 1-day reduction. Accordingly, the car cost adjustment should not be made on the basis of a tariff provision but on the basis of fact, i.e., a special study denoting the actual number of car-days required for loading and unloading.

It should be noted that a study conducted by the Association of American Railroads (AAR) dealing with car utilization, which is designated report CU 1.1005, and was published July 4, 1974, contained the following information:

TABLE 54

Association of American Railroad's composite car cycle average times

	Total car-days	Days per cycle	Percent
Consignor time	11,700	3.85	15.0
Loaded railroad terminal time	22,300	7.34	28.7
Loaded railroad line-haul time	6,200	2.03	7.9
Consignee time	9,800	3.22	12.6
Empty railroad terminal time	22,700	7.48	29.2
Empty railroad line-haul time	5,200	1.70	6.6
Total cycle time	77,900	25.62	100.0

According to this information, the average car cycle time was 25.62 days; consignor time amounted to 15 percent of the total car cycle, or 3.85 days, while consignee time amounted to 12.6 percent of the cycle, or 3.22 days. These figures would indicate that the cars are being detained at origin and destination beyond the 2 days at origin and 2 days at destination currently being used to adjust the car cost in table 11 of the Commission's cost publication, Statement No. 1C1 "Rail Carload Cost Scales 1974."

The above figures also cast doubt upon the validity of the 2-day factor used to adjust the switching portion of the car costs in table 11 of the Commission's publication.

In conclusion, KCC's assertion that the use of territorial average service factors in the case of sanitary paper products lead to an overstatement of costs for such movements is, with few exceptions, unfounded. Inasmuch as KCC has not submitted cost figures utilizing actual traffic characteristics, it is not possible to determine to what extent, if any, the costs shown in the initial order for sanitary paper products may be overstated.

Part I(C)7: Fort Howard Paper Company

1. Representative and/or Repetitive Movements

Fort Howard submitted 45 movements in response to the Commission's request for representative and/or repetitive carload movements of paper and paper products. These movements were selected from a random sample of its 1974 waybills for outbound sanitary paper products shipments. This sample produced usable waybills for 1,251 shipments or about 10 percent of Fort Howard's total shipments in 1974. The bulk of the traffic was destined to the heavily populated and industrialized States. In fact, Fort Howard indicates that over 50 percent of the shipments were to destinations in eight States. The tendency of the sanitary paper traffic to be shipped to large population centers is further demonstrated by a showing of individual destination cities revealing that over 35 percent of the total sample shipments were terminated at 20 metropolitan areas or cities.

Before going into the methodology employed in developing the costs for the above movements, Fort Howard states that it is important to recognize that there are certain transportation characteristics associated with the rail movement of sanitary paper products traffic which are substantially different from those of "average" traffic. A discussion of these particular transportation characteristics follows.

(1) *Switching minutes per car at origin.*—It is Fort Howard's contention that Rail Form A, average switching-minutes per car are substantially greater than the time required to originate a carload of sanitary paper traffic. This is because a substantial daily volume of carloads originate at sanitary paper plants. Further, switching studies conducted at Fort Howard paper plants indicate that the time required to pull or place a large number, say 15 to 20 carloads at an industry, is not substantially greater than the time required to pull or place a small number, say 2 or 3 cars. This would imply that, on a per-car basis, the minutes per car required to pick up 15 to 20 cars in a cut are substantially less than the minutes required to pick up 2 to 3 cars at a time.

In addition, Fort Howard argues that the railroads' origin switching minutes per car are further reduced at many plants due to the shipper's use of his own switch engines to perform much of the work usually performed by the railroads at other industries. In some cases, the shipper is paid a switching allowance for this service and in other cases, he receives no remuneration whatsoever. However, Fort Howard contends that even when a switching allowance is paid by the shipper, the amount is generally less than the cost which Rail Form A attributes to the railroads for performing the same service.

Fort Howard indicates, for example, that at its Green Bay plant the origin switching is performed by both its switch engine crews and by the Chicago and North Western Transportation (C&NW) crews. Fort Howard maintains it receives no compensation for the service it performs.

A switching study conducted in April of 1973 at Fort Howard indicates that it took an average of approximately 16 switch engine-minutes to originate or terminate a loaded car. This figure includes an allowance for the switching of empty cars. Fort Howard's portion of the switching performed was reported to be 13 minutes per car leaving 3 minutes per car as the C&NW's portion. In addition, the C&NW is responsible for transferring the cars back to their Green Bay yard and classifying them for outbound movement or placing them for interchange to the Green Bay and Western and the Milwaukee Road. This additional work supposedly consumed approximately 5 minutes per loaded car.

Thus, Fort Howard concludes that in instances where the shipper is paid a switching allowance, the service performed by the railroad is more akin to one railroad's share of an interchange switch than the switching required to originate or terminate a car. Under Rail Form A, however, about 50 percent as much switching time is attributed to one railroad's share of an interchange as is attributed to the origination or termination of car.

(2) *Freight car-days at origin.*—Fort Howard points out that in the paper industry, the inbound boxcars, loaded with scrap or wastepaper from which sanitary paper products are produced, are often reloaded with outbound sanitary paper products. For example, at Green Bay in 1974, Fort Howard reportedly reloaded about 4,900 of its inbound loads, which resulted in about 35 percent of the shipper's outbound boxcar requirements being fulfilled.

Fort Howard maintains that this reloading procedure reduces the costs attributable to this traffic in two ways, namely (1) by eliminating the requirement for switching an empty car in for loading and for switching an empty car out after unloading, and (2) by reducing the total car-days at the plant.

Under Rail Form A the impact of reloading of boxcars is recognized in that a 20-percent adjustment in origin or destination switching-days per car from 2.0 to 1.8 is made. However, Fort Howard states that its reload factor noted above at Green Bay is 75 percent greater than that contained in the Form A average costs.

Moreover, Fort Howard maintains that the car cost at origin which is based on 2 days' free time allowed for loading would be further reduced due to the recent Commission decision in I. and S. No. 8963, *supra,* reducing the free time loading at origin from 48 hours to 24 hours.

(3) *Freight car empty miles and utilization.*—Fort Howard also believes that the high incidence of reloading of the inbound shipments causes a lesser amount of empty mileage attributable to both the outbound sanitary paper products and the inbound scrap paper than that assigned by use of the Form A regional average empty return ratios.

If, however, boxcars were never reloaded, their status would alternate between loaded and empty. That is, every loaded move would be accompanied by a prior and subsequent empty move. Thus assuming the average prior empty miles and the subsequent empty miles are approximately equal for a given movement where no reloading occurs, the effect of reloading is to reduce the empty return by around 50 percent on the reload cars. However, Fort Howard indicates that the records necessary to determine the appropriate empty-return ratio applicable to sanitary paper products traffic is solely in the possession of the railroads.

Further, Fort Howard suggests that the railroads could better utilize the boxcars made empty in destination cities which would, in turn, reduce the empty return attributable to this traffic. This suggestion is made due to the aforementioned fact that much of the traffic is destined for industrialized and highly populated areas where there is a high demand for general service unequipped boxcars.

(4) *Train characteristics.*—Fort Howard points out that under Rail Form A procedures a portion of the total miles are assigned to way trains and the balance of the miles are assigned to through trains. It is this party's opinion that sanitary paper products traffic moves in trains with characteristics more akin to through trains than way trains. This is supposedly due to the fact that the paper plants tend to be located at or near railroad yards where trains are made up for main-line movements. Similarly, it is argued that the destinations of the sanitary paper products traffic tend to be in the major population centers located on the main line of the railroads.

Finally, Fort Howard maintains the substantial daily volume of this traffic would indicate that when branch line service is required at the origin, the way trains would tend to be significantly heavier than average weight way trains.

(5) *Equipment requirements.*—Fort Howard contends that the railroads often furnish the shippers of sanitary paper products with equipped boxcars rather than general service unequipped boxcars which is all that is required for the handling of this traffic. These equipped cars have a higher cost due to their higher empty-return ratios and higher tare weights.

It is Fort Howard's opinion that the railroads are at fault for the lack of general service boxcars available to the shippers, and states that the shipper should not be charged rates which reflect the use of higher cost equipment than that which is actually required or needed.

2. Revenue-Cost Relationship

Fort Howard has introduced a cost study depicting revenue-cost comparisons on the above 45 sanitary paper products movements. This study was reportedly designed to show that sanitary paper products traffic is desirable traffic for the railroads to handle. Further, it is Fort Howard's contention that the perceived notion that this traffic is unprofitable to the railroads is not supported by any type of comprehensive study of the actual operating conditions attendant to the movement of this traffic and the development of costs which reflect those operating conditions. The shipper hypothesizes that this conclusion is based on the general belief that sanitary paper products traffic is "light-loading traffic" which supposedly makes it unprofitable to transport.

In an attempt to provide the Commission with an indication of the revenue contribution made by sanitary paper products traffic to the railroads' fixed cost burden, Fort Howard prepared a cost study covering the 45 movements from Green Bay to each of the 20 principal destination cities identified in Fort Howard's appendix C. These costs were reportedly based on the Rail Form A variable cost level as found in the Commission's Statement No. 1C1, "Rail Carload Cost Scales 1973," adjusted to reflect transportation characteristics of sanitary paper products movements as follows:

1. The routes of movement were taken from the random sample of Fort Howard waybills for 1974 and represent the most frequently used all rail routes to the indicated 20 destination cities.
2. The mileages were based on the approximate actual miles over the routes of movement shown in the waybills.
3. The interchange costs were based on the actual number of interchanges over the routes of movement shown in the waybills.
4. Average weights were developed based on the average of the total shipments contained in the sample within a given weight bracket to the indicated destination.

5. Car costs were based on all shipments moving in general service, unequipped boxcars.

6. Car-day costs at origin were based on 2.80 days reflecting the reduction in free time on cars held for loading from 48 hours to 24 hours found in I. and S. No. 8963, *supra.*

7. The switching costs at origin were based on 16 minutes per loaded car, derived from switching studies conducted as Fort Howard.

8. The empty-return ratio is estimated at 50 percent to reflect the impact of higher than average reloading and the regularity and daily volume of cars originated.

9. Only through train costs were used since the preponderance of the shipments move between major cities and do not require way train service and also due to the substantial number of cars originated daily.

10. The 1973 costs were increased by 20 percent to approximate the cost level as of January 1, 1975.

Table 55 below contains a summary of the results of the ratios of revenues per car to the estimated variable costs calculated by Fort Howard, and the per-car contribution to the fixed costs burden made on the above 45 sanitary paper shipments. Using rates at the Ex Parte No. 310 level, the revenue/cost ratios averaged 138 percent while the average contribution per car was $171.70. If effect is given to the recent 10-percent rate increase granted by the Commission in I. and S. No. 8978, *Sanitary Paper, Western Trunk Line Territory,* the revenue/cost ratios average 146 percent while the average contribution per car increases to $209.43. The data are, according to Fort Howard, evidence that the subject traffic is reasonably profitable to the railroads.

TABLE 55

Ratios of revenues per car to variable costs and the per-car contribution to the fixed cost burden sanitary paper products traffic originating at Fort Howard's plant at Green Bay, Wis.

Item	Weight bracket			
	24,000	36,000	[1]50,000	Total
Rates at the Ex Parte No. 310 level				
Revenue-to-cost ratios	1.15	1.35	1.45	1.38
Revenue contribution per car	$38.73	$153.89	$221.32	$171.70
Rates at the Ex Parte No. 310 level including the specific 10-percent increase				
Revenue-to-cost ratios	1.26	1.48	1.45	1.46
Revenue contribution per car	$68.75	$213.57	$221.32	$209.43

[1] Corrected according to Fort Howard surrebuttal statement.

In evaluating the profitability of sanitary paper products traffic, Fort Howard contends that consideration must also be given to the substantial annual volume which significantly affects its overall revenue contribution. This is reportedly due to the fact that a traffic with a relatively low revenue/cost ratio may generate a substantially greater absolute contribution to the fixed-cost burden than does a traffic with a relatively high revenue/cost ratio because of significant differences in the annual volume.

In conclusion, Fort Howard states that its revenue-cost study is more indicative of the profitability of sanitary paper products traffic to the railroads than are the Commission's Burden Studies, the contribution study of the USRA, and the studies submitted by the railroads in I. and S. No. 8978, *supra.* However, Fort Howard does acknowledge that the only way to depict the true profitability of this traffic is through a comprehensive analysis which includes: (1) a random sample of sanitary paper products shipments as the basis for development of revenue, traffic flow, and routing characteristics; (2) special studies of the operating characteristics attendant to the rail transportation of sanitary paper products traffic; and (3) unit costs appropriately adjusted to reflect the operating characteristics for each railroad that participates in the movement of the traffic.

A. Rebuttal Statement of the Western Railroad Association (WRA)

WRA points out that the cost study presented by Fort Howard was prepared for only one of six paper companies located in Green Bay, Wis. Therefore, it is argued that such a limited study could not be considered as representative of the cost of moving paper from Green Bay, nor could Fort Howard be considered as representative of the entire paper industry spread out over the United States.

WRA also questions the validity of the 10-percent random sample of Fort Howard's outbound traffic. This sample generated 1,251 shipments. From this sample, 459 shipments, destined to 20 major metropolitan areas, were selected for costing purposes. The remaining 792 were eliminated. Stated differently, this party asserted that 63 percent of the traffic moving to points other than the 20 selected cities was "arbitrarily" discarded. Of the remaining 459 carloads in the study at that point, only the routes of 167 carloads were selected for costing. Therefore, WRA states that it is logical to assume only the shortest, most direct routes were considered as representative for costing. This utilization of "handpicked" shipments, claimed the witness, "*** is not representative of the [unsampled] 1,084 cars of the 10 percent so-called 'random sample' and certainly not representative of the entire Fort Howard traffic out of Green Bay."

WRA notes that the average variable cost per car determined via the routes of the 167 carloads as shown in Fort Howard's appendix I was weighted by the 459 carloads shown in its appendix C. Therefore, the variable costs shown in its appendix I were related to 292 carloads that did not actually move via the route over which the cost calculations were made.

WRA next points out that 76 shipments were excluded from consideration in Fort Howard's costing. This party contends that these shipments were ignored since furnishing more than one car under the marriage rule provision is more costly.

WRA asserts that the revenues for Fort Howard shipments moving at a minimum weight of 50,000 pounds are overstated. This is because the recent 10-percent rate increase in I. and S. No. 8978, *supra,* on sanitary paper products applies only on minimum weights of 24,000 and 36,000 pounds. The rate increase is alleged not to apply in connection with minimum weights at 50,000 pounds.

WRA contends that Fort Howard did not include costs for cars moving under the provisions of rule 24 of the Uniform Freight Classification. Rule 24 is sometimes referred to as the two-for-one rule or two cars furnished in lieu of one car under certain provisions of rule 24. WRA submitted an appendix B wherein it was shown that 28 such movements occurred during August 1975. The average load of all lead cars was shown to be 29,209 pounds while the average load for each trailer car was 22,135 pounds. In conclusion, WRA states that had Fort Howard included these cars in their cost study, the cost per hundredweight would have increased substantially.

WRA further alleges that there were many more shipments of sanitary paper products during the month of August 1975 than shown by Fort Howard. For example, WRA's appendix C shows that there were 39 locations from which shipments originated during the above month. Therefore, WRA states this is an indication that the selection of only one shipper from one sanitary paper origin is not representative of the paper traffic moving by rail, as contended by Fort Howard.

WRA avers that since revenues shown by Fort Howard in its appendix H were based on the Ex Parte No. 310 rate level effective April 27, 1975, and included the 10-percent increase in I. and S. No. 8978, effective April 7, 1975, costs should have been updated to the April 1975 expense level as well.

Further adjustments made by Fort Howard which are criticized by WRA and allegedly result in understated costs include:

(1) *Through trains.*—Fort Howard assumed that all traffic moved in through trains without providing supporting train movement data. WRA points out that some of the traffic moved via the "Lake Michigan Car Ferry." This was not considered in Fort Howard's costs.

(2) *Absorbed switching.*—In Fort Howard's terminal cost calculations, the absorbed switching charges paid by the Milwaukee, Green Bay and Western to the North Western Railroad were omitted.

(3) *Empty return.*—Fort Howard reduced the empty-return ratio for a general setvice boxcar from 0.63 as computed in Rail Form A to 0.50 without proper supporting data.

(4) *Type of car.*—Fort Howard's costs were based solely on unequipped general service boxcars which produce the lowest possible costs by type of equipment. WRA asserts that sanitary paper also moves in other types of equipment.

(5) *Cleaning of cars.*—WRA states that approximately 10 percent of cars spotted to Fort Howard are rejected because they have not been properly cleaned or for some other reasons. WRA points out that the cars are cleaned at Green Bay or elsewhere prior to being spotted to Fort Howard. This additional expense incurred by the railroads was not accounted for in Fort Howard's cost submission.

B. Surrebuttal by Fort Howard Paper Company

Fort Howard's statement does not contain any new cost evidence. However, this party attempts to refute certain claims made in the WRA's rebuttal statement. These areas are enumerated and discussed below:

1. *Representativeness of Fort Howard's sample.*—Fort Howard points out that its study and comparable studies conducted by KCC and SPS are the only revenue/cost studies in evidence on sanitary paper traffic and hence are the best evidence of record. Further, as stated in Fort Howard's statement, "Despite the Coordinator's expressed request that the parties produce evidence as to the costs of transporting paper and paper products, the Lake States carriers [members of WRA] chose to submit not one scintilla of factual data useable for developing the costs of transporting sanitary paper products traffic by rail."

Further, Fort Howard notes that no one from the WRA made any effort to review Fort Howard's workpapers or to contact them regarding the methodology employed in selecting the study sample.

Fort Howard indicates that its decision to limit the cost study to shipments destined to 20 major cities was made to keep the study manageable without destroying its statistical validity. These 20 cities reportedly terminated in excess of 35 percent of the total sample shipments originated at Fort Howard.

2. *Misapplication of the 10-percent increase under I. and S. No. 8978.*—Fort Howard admits that WRA was correct in pointing out that the 10-percent increase authorized under I. and S. No. 8978, *supra,* did not apply to shipments moving at the 50,000-pound minimum weight. Accordingly, Fort Howard revised its revenue/cost ratios and contribution-per-car figures to exclude the 10-percent increase.

3. *Criticisms of the cost study procedures.*—Fort Howard attempts to refute WRA's criticisms by pointing out that WRA did not produce any cost data that could be beneficial in this proceeding. Nor has it in any way discredited the overall results reached by KCC, SPS, and Fort Howard which indicate that revenues derived from sanitary paper products traffic exceed variable costs by approximately 30 to 40 percent.

C. Coordinator's Comments

We agree with WRA that the cost study submitted by Fort Howard based on a sample of sanitary paper shipments moving from its Green Bay, Wis., plant cannot be considered representative of the entire paper industry spread throughout the United States. Nor is this study necessarily representative of paper shipments from Green Bay since it covers only one of six paper companies located at Green Bay. At best the study is only representative of Fort Howard's sanitary paper shipments moving from Green Bay, and there is even some question as to the validity of this representativeness. This is due to the substantial number of shipments excluded arbitrarily from the sample of Fort Howard's outbound shipments. As to whether the sample of shipments were "handpicked" as alleged by WRA cannot be determined from the evidence of record.

As noted, Fort Howard acknowledged that it was in error in applying the 10-percent increase granted in I. and S. No. 8978, *supra,* to shipments moving at the 50,000-pound minimum weight, i.e., the 50,000-pound minimum weight was not covered by this increase. Since Fort Howard in its surrebuttal statement submitted revised figures this error has been corrected.

With reference to the specific adjustments made by Fort Howard to reflect the particular transportation characteristics of sanitary paper traffic, the following comments are prefaced by the number corresponding to that used in Fort Howard's statement.

1. *Switching minutes per car at origin.*—There is merit to Fort Howard's argument that the time required to pull or place a large number of carloads is not substantially greater than the time

required to pull or place a small number of cars. How this applies to paper traffic, however, was not demonstrated.

Moreover, we agree with Fort Howard that in cases where switching at an industry is performed by other than railroad crews, the railroads realize a savings. This is especially true when the shipper receives no switching allowance for work done for the railroads.

2. *Freight car-days at origin.*—It is true that by reloading inbound cars with outbound sanitary paper products, the costs attributable to this traffic is reduced. As Fort Howard points out, Rail Form A recognizes the high incidence of the reloading of boxcars by reducing the switching days at origin or destination from 2 days to 1.8 days based on a reload factor of 20 percent. Although it was not possible to verify Fort Howard's reload factor of 35 percent, it nonetheless appears reasonable in view of the inbound-outbound operation described at Green Bay. However, this 35-percent reload factor is not necessarily applicable to other paper plants, nor has Fort Howard shown that it is applicable to other paper plants.

With respect to Fort Howard's contention that car costs should be reduced to reflect the new free-time tariff provision found in I. and S. No. 8963, *supra,* it should be noted that this issue was covered in detail earlier herein and does not warrant further discussion. As pointed out, free time pertains to the number of days allowed before demurrage is paid by the shipper whereas the actual number of car detention days, which are pertinent herein, may be more or less than the number of free days allowed.

3. *Freight car empty miles and utilization.*—Fort Howard's logic in adjusting the empty-return ratios to around 50 percent in instances where the inbound car is reloaded has merit. However, the Commission's car-mile figures (ratio of empty to loaded car-miles) give effect to cars which are reloaded. Thus, it would be improper to reduce the Commission's empty-return ratios by 50 percent since they already reflect, to a limited extent, cars which are reloaded.

4. *Train characteristics.*—While it may be true that in instances where industries are located at or near railroad yards, as in the case of large cities, trains made up for main-line movements are more akin to through trains than way trains. However, Fort Howard has not shown that the majority of paper shipments move between major cities. Nor has it shown that paper and paper products handled in way train service is significantly higher than average weight train. Lacking a specific study, other than at Green Bay, the

use of both way and through train costs is more appropriate than the sole use of through train. Nevertheless, the difference in costs between using through train as opposed to using a combination of both way and through train is normally inconsequential due to the relatively small number of way train-miles generally involved in most movements.

5. *Equipment requirements.*—The criticism that the railroads often furnish the shipper with equipped boxcars rather than unequipped boxcars requested was also covered in a previous section of this report. Moreover, it is not necessarily correct that the railroads are solely at fault for the lack of general service unequipped boxcars available to the shippers. The shippers are also at fault. For example, it is generally recognized that some shippers hold boxcars for warehousing beyond the free time permitted by the tariff, thus contributing to the boxcar shortage.

6. *Other comments.*—As WRA points out, Fort Howard should have updated its costs to an April 1975 level rather than the January 1, 1975, level. This is because the revenues reflect an April 1975 level. Moreover, the method employed by Fort Howard in updating the 1973 territorial average costs to January 1, 1975, level was not indicated. Nonetheless, the resulting 20-percent update ratio does not appear unreasonable in comparison to update ratios developed by the Commission for the same time period.

WRA's statement that some of the traffic at Green Bay moves via the "Lake Michigan Car Ferry" is true. How this supposedly affects the costs developed by Fort Howard for its rail movements was not demonstrated. Whether or not Fort Howard should have considered water movements in developing its costs cannot be answered without further clarification of this point.

In addition, we agree with WRA that Fort Howard costs based solely on unequipped boxcars produces the lowest possible costs. Not only should Fort Howard have computed costs based on the actual type of equipment used, the information was readily available from the waybills which is the basis of its traffic study.

With respect WRA's comment that 10 percent of the cars at Green Bay require cleaning prior to spotting at Fort Howard's, the validity of this comment cannot be ascertained from the evidence of record. However, granting that some of the cars may require cleaning prior to loading, terminal special service costs developed in Rail Form A include expenses relating to the cleaning of cars. Thus it would be improper to include additional expenses relating to car cleaning unless it can be shown that they are higher than that already included in the Rail Form A unit costs.

We also agree with WRA that absorbed switching charges paid by one road to another road at Green Bay involving Fort Howard's traffic should be added to Fort Howard's cost calculations since this represents an additional cost to the railroads.

A restatement of variable and fully allocated costs for the 45 movements submitted by Fort Howard are contained in a later section of this report. A comparison between the costs computed by Fort Howard and the restated costs reveals that in every instance Fort Howard's variable costs are lower than the restated variable costs. For example, Fort Howard's showing indicates that revenue on only 3 of the 45 movements to be below variable cost whereas the restatement shows revenue on 12 of the 45 movements to be below variable cost. The ratio of revenue-to-variable costs based on the restatement ranged from a low of 78 percent to a high of 167 percent, with an average ratio of 113 percent. On the other hand Fort Howard's ratio of revenue to variable cost ranged from a low of 95 percent to a high of 190 percent, with an average ratio of 138 percent.

In conclusion, Fort Howard admits that the cost evidence it has submitted in this proceeding suffers from very real data limitations and is imperfect in many respects. Moreover, it acknowledges that the only way to depict the true profitability of the subject traffic is through a comprehensive study. In this regard a few comments are in order.

The western railroads, who have criticized Fort Howard's cost study, have at their disposal the means to develop the cost and revenue data necessary to determine the profitability or lack of profitability of this traffic. However, they did not choose to do so. Although WRA submitted both an opening statement and rebuttal statement, neither of these statements contained any probative evidence relating to cost evidence.

Part I(C)8: Eastern Canadian Newsprint Producers (Eastern Canadian)

A. Opening Statement

A verified statement was submitted on behalf of Eastern Canadian, interveners.

1. *Representative and/or repetitive movements.*—Eastern Canadian undertook to develop a representative sample of rail newsprint shipments moving from the mills of Canadian paper

companies to various points in the United States. This was accomplished through a 4-percent random sample of waybills covering all 1974 rail newsprint shipments originating in Canada and destined to the United States. The sample resulted in 1,505 movements which accounted for 16 origin points in Canada and 217 destination cities or 33 States within the United States. Of the 1,505 sample movements, 959 moved under "basic" rates while the other 546 moved under "competitive" rates.

2. *Revenue-cost relationships on newsprint.*—Eastern Canadian developed variable costs for the above 1,505 movements at the mid-1975 level comparable to the Ex Parte No. 310 rate level. Variable costs for the year 1973 covering the official territory (region III) were derived from the Commission's Statement No. 1C1-73, *supra.* The 1973 costs were updated to the Ex Parte No. 310 rate level based on the procedure outlined in the Commission's Statement No. 2-58, *supra.* Current indexing data comparable to that reportedly used by the railroads in current ex parte rate increases (statement of William Betts) was also employed in updating the costs. The variable costs of official territory were increased 19.8 percent under this method.

Eastern Canadian developed costs on two bases. Under basis No. 1, the line-haul costs of average weight trains in interline movements was used and interchange costs were applied on a per-car-mile basis. Under basis No. 2, the line-haul costs were adjusted to reflect the actual number of interchanges incurred on each movement as taken from waybills. A 100-percent empty return ratio was used in both cost applications since the cars are carrier owned in assigned service. Loss and damage cost figures taken from appendix A of Statement No. 1C1-73, *supra,* were also included in both cost applications. In addition, the costs were computed based on the actual weight and actual miles of haul for each shipment. A circuity factor of 1.1245 was used, a figure that represented the average circuity on all Eastern Canadian newsprint shipments.

The results of Eastern Canadian's revenue-cost comparisons are displayed in its exhibit 16. This exhibit shows that the overall ratio of Eastern Canadian Newsprint rail revenues to variable costs was 209.5 percent on all traffic using basis No. 1. On incentive-rated traffic the ratio was 240.6 percent. Thus Eastern Canadian points out that the cost-revenue comparisons clearly indicate that this traffic is highly profitable to the railroads.

When basis No. 2 was applied, the aggregate variable costs went down and the ratios of revenues to variable costs went up.

Eastern Canadian also submitted an exhibit covering the aggregated traffic study data on incentive-rated traffic by mileage blocks of 20 miles. This data was graphed and is shown in Eastern Canadian's exhibit 17 entitled, "Comparison of Eastern Canadian Newsprint Revenues and Variable Costs in Cents Per Cwt—Incentive Rated Traffic." The graph shows that the preponderance of movements plotted move distances of less than 1,400 miles. Further, Eastern Canadian states that this exhibit graphically shows an enormous gap between the variable costs and the revenues, i.e., the revenues greatly exceed the variable costs.

A final matrix summarizes the traffic and cost data for all traffic, both "basic" and "competitive" rated traffic. This showing is contained in exhibit 18 entitled "Breakdown by 33 Destination States of Total Eastern Canadian Newsprint Traffic Study Data and Revenue/Cost Ratios." This purportedly shows the high profitability of the subject traffic to the railroads.

B. Rebuttal to Eastern Canadian Newsprint Producers

None of the statements contained any rebuttal testimony relating to cost evidence.

C. Surrebuttal by Eastern Canadian Newsprint Producers

Eastern Canadian Newsprint Producers did not file a surrebuttal statement.

D. Coordinator's Comments

The 4-percent traffic sample developed by Eastern Canadian appears representative of rail newsprint shipments from Eastern Canadian papermills to various points in the United States. However, it should be noted that Eastern Canadian has presented only average statistics for the 1,505 sample shipments which are not useful in costing out individual movements. For the following reasons it was decided not to develop revenue-cost comparisons on the 33 aggregate shipments shown by Eastern Canadian.

Canadian railroads do not file annual reports with this Commission for their operations in Canada. Consequently, costs for portions of movements within Canada cannot be developed. At times, U.S. territorial costs have been used for segments of movements in Canada, however, the greater the distance operated in Canada the greater the possibility of error. In view of the lack of true Canadian operating costs and of various routings possible through both Canada and the United States to midwestern and western destinations, which were not shown by Eastern Canadian, it is felt that any attempt to develop costs for these movements would yield results of little probative value.

Nonetheless, several comments regarding Eastern Canadian's cost study are in order. For example, Eastern Canadian used average weight train costs whereas the use of both way and through train costs would have been preferable. This error is usually rather minor in nature in that the resulting difference in costs is generally inconsequential.

Eastern Canadian has used region III (official territory) costs in its cost computations and does not indicate the use of any other cost regions, even though some of the movements shown terminate in such States as California, Texas, and Florida. Moreover, there is no assurance that the costs of transportation to Canadian carriers are the same as those of U.S. region III carriers.

With the exception of the above two items (use of average weight train and region III costs), little fault can be found with the costing procedure outlined by Eastern Canadian. The index factor of 19.8 percent was developed in accordance with the Commission's Statement No. 2-58, *supra,* procedures and compares favorably with updated ratios developed by the Commission for the same time period.

Further, a spot check of several of the aggregate movements' costs suggest that the costs were properly calculated with the exception noted above. Assuming *arguendo* that the Canadian carriers' costs are no higher than those shown for official territory and the knowledge that the southern and western carriers' costs are generally lower than those for official territory, then it appears that newsprint traffic from Eastern Canadian points to the United States is indeed profitable to the railroads as Eastern Canadian contends.

Part I(C)9: Commission's Rail Revenue Contribution Study

The Commission has published a series of Rail Revenue Contribution or "Burden Studies" as part of its investigation of the railroad freight rate structure. The first study covered the year 1966 and was released in October 1971 as Statement No. 1S3-71. The second, released in October 1973 as Statement No. 1S3-69, covered the year 1969. The last study covering the year 1972 was released as Statement No. 1S3-72 in April 1975.

Generally, the results of the 1972 study may be compared with the results of the 1966 and 1969 studies to measure shifts among commodities in their respective contribution to the transportation burden. The rail revenue contribution for paper and paper products for the year 1972 was constructed using the same methods and procedures employed in the 1966 and 1969 studies.

The term "revenue contribution" used in these studies refers to the amount by which carload revenues resulting from the rate structures in effect for the various years studied exceed or fail to meet variable costs. Revenue contribution is a function of rates, costs, and volume and reflects not only cost factors, but also the influence of demand for transportation, a value-of-service factor which is independent of direct cost.

A breakdown of the 1972, 1969, and 1966 totals for paper and paper products by territorial movements is set forth in table 56 below. The most significant information is the revenue cost relationships in columns (10) and (11) which are shown separately for each commodity group by territorial movements. Column (10) shows the ratio of revenue to variable cost whereas column (11) indicates the ratio of revenue to fully allocated cost. This table also shows, by commodity and by territorial movements, the average load (in tons), the average haul (in short-line miles), the revenue, the variable cost, and the contribution to the transportation burden. Therein is reflected the relative share of the burden contributed by each commodity class for the United States as a whole and separately for each territorial movement. Items in the column of contribution market "DEF" indicate the deficit contribution, i.e., the amount by which the revenue from a given commodity movement failed to cover the variable costs.

TABLE 57

Comparison of Paper and Paper Products—Years 1966, 1969, and 1972

1966

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1966 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
26200	Paper, Except Building Paper									
	US to US	3,144	109,102	34.7	751	$1,465,889	$1,009,973	$455,916	145.1	123.4
	Off to Off	1,177	38,060	32.3	581	450,462	328,356	122,106	137.2	118.5
	Sou to Sou	238	10,647	44.7	368	83,727	45,054	38,673	185.8	159.0
	Wst to Wst	732	27,240	37.2	770	347,071	231,292	115,779	150.1	125.2
	Off to Sou	131	3,591	27.4	911	58,532	41,505	17,027	141.0	121.7
	Sou to Off	192	7,274	37.9	820	99,820	67,045	32,775	148.9	126.1
	Off to Wst	238	6,350	26.7	1,613	168,103	130,210	37,893	129.1	110.6
	Wst to Off	277	9,618	34.7	972	156,124	108,290	47,834	144.2	121.2
	Sou to Wst	93	4,087	43.9	974	67,122	36,575	30,547	183.5	151.2
	Wst to Sou	66	2,235	33.9	966	34,928	21,646	13,282	161.4	134.9

Comparison of paper and paper products—Years 1966, 1969, and 1972—Continued

1966—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1966 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
26213	Fine Paper, Inc Thin Paper and Book Paper, Uncoated									
	US to US	1,507	47,450	31.5	784	$683,874	$503,788	$180,086	135.7	116.8
	Off to Off	691	21,607	31.3	575	252,311	193,600	58,711	130.3	113.3
	Sou to Sou	33	1,125	34.1	367	9,619	6,249	3,370	153.9	136.5
	Wst to Wst	257	8,854	34.5	758	119,391	81,714	37,677	146.1	123.8
	Off to Sou	90	2,301	25.6	815	34,849	26,932	7,917	129.4	113.4
	Sou to Off	49	1,987	40.6	739	25,864	16,481	9,383	156.9	132.7
	Off to Wst	195	5,075	26.0	1,630	137,702	107,454	30,246	128.1	110.2
	Wst to Off	143	5,018	35.1	870	77,190	53,479	23,711	144.3	122.3
	Sou to Wst	15	500	33.3	1,340	10,515	6,614	3,901	159.0	133.0
	Wst to Sou	34	983	28.9	994	16,433	11,265	5,168	145.9	124.7
26311	Paperboard, Pulpboard & Fiberboard, Exc Insulating Bd									
	US to US	3,184	135,826	42.7	790	1,526,186	1,023,174	503,012	149.2	122.2
	Off to Off	575	21,586	37.5	410	177,380	133,297	44,083	133.1	114.4
	Sou to Sou	430	18,737	43.6	373	132,114	71,653	60,461	184.4	155.1
	Wst to Wst	825	35,624	43.2	945	433,209	287,552	145,657	150.7	120.3

Comparison of paper and paper products—Years 1966, 1969, and 1972—Continued

1966—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1966 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
26311	Paperboard, Pulpboard & Fiberboard, Exc Insulating Bd—Continued									
	Off to Sou	29	994	34.3	689	$11,859	$8,028	$3,831	147.7	125.6
	Sou to Off	839	39,197	46.7	874	468,137	314,340	153,797	148.9	122.1
	Off to Wst	76	2,335	30.7	1,008	36,634	28,910	7,724	126.7	107.6
	Wst to Off	205	8,131	39.7	1,343	140,751	102,312	38,439	137.6	112.0
	Sou to Wst	145	6,640	45.8	1,046	91,622	56,169	35,453	163.1	131.4
	Wst to Sou	60	2,582	43.0	1,012	34,480	20,913	13,567	164.9	132.4
26400	Converted Paper & Papbd Prod Exc Containers & Boxes									
	US to US	2,477	48,503	19.6	715	759,871	612,876	146,995	124.0	110.5
	Off to Off	742	14,241	19.2	398	150,017	139,854	10,163	107.3	97.5
	Sou to Sou	201	4,029	20.0	462	48,029	32,271	15,758	148.8	134.2
	Wst to Wst	746	13,539	18.1	823	246,194	192,945	53,249	127.6	113.3
	Off to Sou	95	1,680	17.7	918	31,842	27,053	4,789	117.7	105.6
	Sou to Off	192	5,164	26.9	930	85,123	67,198	17,925	126.7	110.8
	Off to Wst	76	1,558	20.5	1,679	51,646	39,336	12,310	131.3	115.1
	Wst to Off	273	5,115	18.7	786	86,187	71,217	14,970	121.0	107.5
	Sou to Wst	95	2,049	21.6	927	38,097	26,536	11,561	143.6	125.8
	Wst to Sou	57	1,128	19.8	984	22,736	16,466	6,270	138.1	122.0

Comparison of paper and paper products—Years 1966, 1969, and 1972—Continued

1966—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1966 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
26471	Sanitary Tissues and Health Products									
	US to US	1,658	27,846	16.8	616	$412,524	$363,092	$49,432	113.6	102.9
	Off to Off	555	9,434	17.0	291	86,877	91,833	4,956Def	94.6	87.7
	Sou to Sou	128	2,186	17.1	436	26,398	18,939	7,459	139.4	127.2
	Wst to Wst	526	8,600	16.3	810	156,087	128,951	27,136	121.0	108.3
	Off to Sou	8	1,199	17.6	962	22,919	19,931	2,988	115.0	103.0
	Sou to Off	50	896	17.9	987	17,836	16,535	1,301	107.9	97.4
	Off to Wst	39	682	17.5	1,486	21,476	18,105	3,371	118.6	106.0
	Wst to Off	209	3,470	16.6	620	52,913	47,325	5,588	111.8	101.3
	Sou to Wst	43	728	16.9	808	13,559	10,065	3,494	134.7	120.7
	Wst to Sou	40	651	16.3	1,076	14,459	11,408	3,051	126.7	113.2
26500	Containers & Boxes, Paperboard, Fiberboard & Pulpboard									
	US to US	1,219	18,863	15.5	606	317,766	256,872	60,894	123.7	112.6
	Off to Off	469	6,288	13.4	346	87,472	78,266	9,206	111.8	104.4
	Sou to Sou	137	2,180	15.9	391	26,251	19,870	6,381	132.1	122.1
	Wst to Wst	364	5,829	16.0	596	95,566	75,457	20,109	126.6	114.7
	Off to Sou	92	1,612	17.5	818	32,155	24,333	7,822	132.1	119.1

Comparison of paper and paper products—Years 1966, 1969, and 1972—Continued

1966—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1966 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
26500	Containers & Boxes, Paperboard, Fiberboard & Pulpboard—Continued									
	Sou to Off	24	376	15.7	833	$7,308	$6,449	$859	113.3	103.2
	Off to Wst	69	1,447	21.0	1,537	44,760	33,712	11,048	132.8	116.4
	Wst to Off	32	536	16.8	1,100	12,970	11,175	1,795	116.1	104.1
	Sou to Wst	18	312	17.3	952	6,869	4,748	2,121	144.7	128.8
	Wst to Sou	14	283	20.2	646	4,415	2,862	1,553	154.3	136.6
	1969									
26200	Paper, Except Building Paper									
	US to US	3,192	121,680	38.1	777	$1,757,189	$1,302,120	$455,069	134.9	114.5
	Off to Off	1,198	42,116	35.2	600	536,054	438,834	97,220	122.2	105.7
	Sou to Sou	240	11,487	47.9	398	97,051	57,223	39,828	169.6	144.2
	Wst to Wst	749	31,074	41.5	800	438,107	295,177	142,930	148.4	123.1
	Off to Sou	155	4,845	31.3	980	83,784	65,824	17,960	127.3	109.2
	Sou to Off	247	10,083	40.8	845	150,380	110,215	40,165	136.4	115.7
	Off to Wst	223	6,648	29.8	1,522	174,929	144,742	30,187	120.9	103.4

Comparison of paper and paper products—Years 1966, 1969, and 1972—Continued

1969—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1969 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
26200	Paper, Except Building Paper—Continued									
	Wst to Off	213	8,127	38.2	1,140	$149,002	$112,901	$36,101	132.0	109.8
	Sou to Wst	104	4,739	45.6	1,020	89,392	50,887	38,505	175.7	145.3
	Wst to Sou	63	2,561	40.7	921	38,490	26,317	12,173	146.3	122.0
26213	Printing Paper, Coated or Uncoated									
	US to US	1,485	50,530	34.0	807	782,453	629,627	152,826	124.3	107.0
	Off to Off	687	23,639	34.4	624	304,682	264,328	40,354	115.3	100.3
	Sou to Sou	39	1,362	34.9	449	13,566	8,838	4,728	153.5	133.5
	Wst to Wst	273	9,831	36.0	795	148,930	106,679	42,251	139.6	118.4
	Off to Sou	92	2,777	30.2	976	49,019	38,726	10,293	126.6	109.0
	Sou to Off	71	2,618	36.9	778	36,711	28,764	7,947	127.6	109.5
	Off to Wst	165	4,845	29.4	1,495	127,835	107,027	20,808	119.4	102.6
	Wst to Off	99	3,544	35.8	940	59,453	46,837	12,616	126.9	107.8
	Sou to Wst	34	1,026	30.2	1,408	27,339	17,918	9,421	152.6	129.9
	Wst to Sou	25	888	35.5	959	14,918	10,510	4,408	141.9	120.4

Comparison of paper and paper products—Years 1966, 1969, and 1972—Continued

1969—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1969 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
26311	Paperboard, Pulpboard & Fiberboard, Exc Insulating Bd									
	US to US	3,515	158,079	45.0	754	$1,865,322	$1,342,183	$523,139	139.0	114.7
	Off to Off	527	19,486	37.0	390	173,410	148,595	24,815	116.7	101.7
	Sou to Sou	507	23,630	46.6	386	183,425	108,033	75,395	169.8	143.1
	Wst to Wst	808	37,827	46.8	854	459,619	316,428	143,191	145.3	116.4
	Off to Sou	65	2,418	37.2	671	29,332	21,627	7,705	135.6	115.1
	Sou to Off	1,113	52,740	47.4	848	671,984	499,064	172,920	134.6	111.4
	Off to Wst	52	1,627	31.3	1,028	28,946	24,027	4,919	120.5	102.8
	Wst to Off	213	9,473	44.5	1,198	161,072	122,828	38,244	131.1	107.0
	Sou to Wst	172	8,403	48.9	1,099	130,313	84,486	45,827	154.2	124.4
	Wst to Sou	58	2,475	42.7	618	27,221	17,095	10,126	159.2	132.0
26400	Converted Paper & Papbd Prd Exc Containers & Boxes									
	US to US	2,765	52,341	18.9	672	864,605	804,906	59,699	107.4	97.0
	Off to Off	1,114	19,197	17.2	338	220,960	254,256	33,296Def	86.9	80.8
	Sou to Sou	278	5,512	19.8	409	65,987	51,263	14,724	128.7	117.4
	Wst to Wst	693	12,820	18.5	828	251,670	217,682	33,988	115.6	103.4
	Off to Sou	159	2,785	17.5	860	56,420	54,448	1,972	103.6	94.0

Comparison of paper and paper products—Years 1966, 1969, and 1972—Continued

1969—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1969 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
26400	Converted Paper & Papbd Prd Exc Containers & Boxes—Continued									
	Sou to Off	218	5,398	24.8	936	$100,832	$89,822	$11,010	112.3	99.4
	Off to Wst	72	1,550	21.5	1,742	54,520	44,257	10,263	1[illegible]3.2	107.5
	Wst to Off	87	2,055	23.6	1,200	46,998	41,056	5,942	114.5	99.8
	Sou to Wst	117	2,397	20.5	1,102	55,487	43,068	12,419	128.8	113.6
	Wst to Sou	27	627	23.2	885	11,731	9,054	2,677	129.6	114.0
26471	Sanitary Tissues and Health Products									
	US to US	1,868	31,203	16.7	577	486,834	495,713	8,879Def	98.2	89.9
	Off to Off	897	15,041	16.8	325	168,784	199,817	31,033Def	84.5	78.7
	Sou to Sou	176	2,956	16.8	396	36,957	31,397	5,560	117.7	108.8
	Wst to Wst	468	7,629	16.3	853	153,964	143,503	10,461	107.3	96.7
	Off to Sou	107	1,913	17.9	916	38,406	38,753	347Def	99.1	89.7
	Sou to Off	78	1,281	16.4	910	28,767	29,230	463Def	98.4	90.1
	Off to Wst	28	498	17.8	1,615	17,082	16,043	1,039	106.5	95.0
	Wst to Off	37	656	17.7	889	14,511	13,301	1,210	109.1	98.3
	Sou to Wst	66	1,034	15.7	879	23,757	19,591	4,166	121.3	109.9
	Wst to Sou	11	195	17.7	1,076	4,606	4,078	528	112.9	101.5

Comparison of paper and paper products—Years 1966, 1969, and 1972—Continued

1969—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1969 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
26500	Containers & Boxes, Paperboard, Fiberboard & Pulpboard									
	US to US	1,083	17,778	16.4	661	$344,466	$301,994	$42,472	114.1	104.0
	Off to Off	391	5,792	14.8	370	86,702	89,236	2,534Def	97.2	90.8
	Sou to Sou	140	2,128	15.2	337	27,401	21,558	5,843	127.1	118.3
	Wst to Wst	302	4,936	16.3	585	90,865	74,773	16,092	121.5	110.7
	Off to Sou	68	1,319	19.4	889	28,387	24,475	3,912	116.0	104.4
	Sou to Off	30	490	16.3	724	10,902	9,125	1,777	119.5	109.4
	Off to Wst	81	1,676	20.7	1,806	63,621	56,002	7,619	113.6	100.6
	Wst to Off	26	572	22.0	1,089	15,338	11,297	4,041	135.8	119.5
	Sou to Wst	25	492	19.7	1,106	12,824	9,683	3,141	132.4	117.9
	Wst to Sou	20	373	18.7	781	8,426	5,845	2,581	144.2	129.7

Comparison of Paper and Paper Products—Years 1966, 1969, and 1972—Continued

1972

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1972 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
26200	Paper, Except Building Paper									
	US to US	2,713	115,000	42.4	784	$1,944,594	$1,361,066	$583,528	142.9	113.4
	Off to Off	872	33,981	39.0	618	533,298	389,989	143,309	136.7	110.6
	Sou to Sou	244	13,063	53.5	431	136,702	74,368	62,334	183.8	143.2
	Wst to Wst	702	31,400	44.7	804	513,111	336,666	176,445	152.4	117.9
	Off to Sou	127	4,080	32.1	988	84,252	67,960	16,292	124.0	101.9
	Sou to Sou	71	12,015	44.3	811	199,364	148,468	50,896	134.3	107.7
	Off to Wst	134	4,472	33.4	1,716	146,191	122,795	23,396	119.1	97.0
	Wst to Off	181	7,630	42.2	1,165	171,811	124,747	47,064	137.7	108.3
	Sou to Wst	95	4,281	45.1	944	84,411	51,991	32,420	162.4	127.4
	Wst to Sou	87	4,078	46.9	943	75,454	44,082	31,372	171.2	130.8
26213	Printing Paper, Coated or Uncoated									
	US to US	1,192	46,762	39.2	788	813,063	606,735	206,328	134.0	107.8
	Off to Off	501	19,732	39.4	628	307,414	231,588	75,826	132.7	107.5
	Sou to Sou	38	1,539	40.5	495	18,838	11,484	7,354	164.0	132.3
	Wst to Wst	253	10,367	41.0	703	161,162	110,422	50,740	146.0	115.3
	Off to Sou	79	2,599	32.9	961	52,745	41,622	11,123	126.7	103.8
	Sou to Off	77	3,481	45.2	762	49,302	40,206	9,096	122.6	98.1
	Off to Wst	94	3,311	35.2	1,815	112,213	91,125	21,088	123.1	99.4
	Wst to Off	91	3,696	40.6	871	69,083	51,159	17,924	135.0	108.0
	Sou to Wst	21	655	31.2	1,121	15,681	11,347	4,334	138.2	113.0
	Wst to Sou	38	1,382	36.4	926	26,625	17,782	8,843	149.7	119.3

Comparison of paper and paper products—Years 1966, 1969, and 1972—Continued

1972—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1972 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
26311	Paperboard, Pulpboard & Fiberboard, Exc Insulating Bd									
	US to US	3,384	166,961	49.3	732	$2,280,772	$1,577,988	$702,784	144.5	111.3
	Off to Off	449	18,269	40.7	379	193,607	153,829	39,778	125.9	102.8
	Sou to Sou	554	28,316	51.1	376	252,495	142,409	110,086	177.3	137.5
	Wst to Wst	784	40,293	51.4	823	567,117	370,648	196,469	153.0	113.5
	Off to Sou	61	2,161	35.4	656	32,807	24,699	8,108	132.8	108.5
	Sou to Off	1,043	53,610	51.4	830	793,068	579,817	213,251	136.8	106.2
	Off to Wst	41	1,543	37.6	957	31,940	24,243	7,697	131.7	106.4
	Wst to Off	231	11,543	50.0	1,204	231,184	169,328	61,856	136.5	104.1
	Sou to Wst	171	8,890	52.0	960	146,183	93,140	53,043	156.9	118.6
	Wst to Sou	50	2,336	46.7	677	32,371	19,875	124,496	162.9	125.4
26400	Converted Paper & Papbd Prod Exc Containers & Boxes									
	US to US	2,717	52,150	19.2	722	1,105,803	1,040,454	65,349	106.3	93.0
	Off to Off	1,010	17,837	17.7	395	286,012	308,002	21,990Def	92.9	83.5
	Sou to Sou	237	4,438	18.7	453	72,000	56,898	15,102	126.5	111.9
	Wst to Wst	744	14,138	19.0	880	343,868	298,892	44,976	115.0	99.2
	Off to Sou	172	3,088	18.0	874	76,762	75,971	791	101.0	89.2

Comparison of paper and paper products—Years 1966, 1969, and 1972—Continued

1972—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1972 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
26400	Converted Paper & Papbd Pro Exc Containers & Boxes—Continued									
	Sou to Off	257	6,359	24.7	960	$145,568	$137,576	$7,992	105.8	91.0
	Off to Wst	77	1,446	18.8	1,665	57,260	57,031	229	100.4	87.0
	Wst to Off	60	1,414	23.6	1,225	41,382	36,515	4,867	113.3	96.1
	Sou to Wst	113	2,219	19.6	942	55,777	47,618	8,159	117.1	101.4
	Wst to Sou	47	1,211	25.8	936	27,174	21,951	5,223	123.8	104.7
26471	Sanitary Tissues and Health Products									
	US to US	1,867	31,995	17.1	671	680,761	675,329	5,432	100.8	89.3
	Off to Off	771	13,172	17.1	381	207,064	230,095	23,031Def	90.0	81.2
	Sou to Sou	174	2,915	16.8	440	49,787	40,876	8,911	121.8	109.0
	Wst to Wst	520	8,948	17.2	912	229,671	208,946	20,725	109.9	95.7
	Off to Sou	126	2,272	18.0	924	58,224	57,600	624	101.1	89.1
	Sou to Off	116	2,003	17.3	916	53,096	56,844	3,748Def	93.4	83.4
	Off to Wst	45	821	18.2	1,770	33,843	34,519	676Def	98.0	85.1
	Wst to Off	24	374	15.6	801	9,946	10,265	319Def	96.9	86.6
	Sou to Wst	74	1,161	15.7	833	30,072	28,009	2,063	107.4	95.5
	Wst to Sou	17	329	19.4	1,140	9,058	8,175	883	110.8	5.7

Comparison of paper and paper products—Years 1966, 1969, and 1972—Continued

1972—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1972 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
26500	Containers & Boxes, Paperboard, Fiberboard & Pulpboard									
	US to US	832	14,526	17.5	625	$325,258	$284,714	$40,544	114.2	101.0
	Off to Off	293	4,856	16.6	350	83,368	82,929	439	100.5	91.0
	Sou to Sou	89	1,485	16.7	327	21,743	17,192	4,551	126.5	113.6
	Wst to Wst	252	4,472	17.7	605	99,837	79,577	20,260	125.5	109.9
	Off to Sou	55	950	17.3	901	24,527	24,185	342	101.4	89.7
	Sou to Off	29	550	19.0	740	13,950	11,672	2,278	119.5	105.5
	Off to Wst	68	1,276	18.8	1,558	54,900	49,304	5,596	111.3	97.0
	Wst to Off	13	275	21.2	1,055	7,781	6,703	1,078	116.1	99.5
	Sou to Wst	19	390	20.5	1,199	12,979	8,366	4,613	155.1	130.2
	Wst to Sou	14	272	19.4	659	6,173	4,786	1,387	129.0	113.0

A comparison of the 1972, 1969, and 1966 results for paper and paper products identified in table 56 reveals the following:

For each of the major commodity groups in this major category, the majority of the movements were intraterritorial for each of the three study years, 1966, 1969, and 1972. Table 57 below, shows for each commodity group the percentage of carloads which originate and terminate in the same territory. As can be seen, a vast majority of the carloads included in the sample originated and terminated in the same territory for three of the four major groupings. STCC 26311, Paperboard, Pulpboard, and Fiberboard, et cetera, showed only a slight majority of carloads moving in such a manner.

TABLE 57

Percentage of carloads originating and terminating in the same territory

Commodity group	Study year		
	1966	1969	1972
STCC 26200	68	69	67
26311	57	52	53
26400	68	75	73
26500	75	77	76

Table 58 below, shows that the total tonnage handled increased from 1966 to 1969 and remained steady in 1972, while the average load rose steadily from 29.8 tons per car in 1966 to 36.1 in 1972, an increase of 21 percent. However, an analysis by commodity group indicates that the increase in loadings occurred in the first two commodity groups, STCC 26200, Paper, Except Building Paper, and STCC 26311, Paperboard, Pulpboard, and Fiberboard, Excluding Insulating Board. For STCC 26200 the increase in loading was from 34.7 tons per car in 1966 to 42.4 tons per car in 1972, an increase of 22.2 percent. Likewise, for STCC 26311, the average load increased from 42.7 tons per car in 1966 to 49.3 tons per car in 1972, a 15.5-percent increase. STCC 26400 showed a slight drop in average load, from 19.6 tons per car in 1966 to 19.2 in 1972, and STCC 26500, a slight increase from 16.8 tons per car in 1966 to 17.5 in 1972.

TABLE 58

Total,tonnage handled by commodity for the years 1966, 1969, and 1972

STCC	Movement	1966	1969	1972
		Tons	*Tons*	*Tons*
26200	United States to United States	109,102	121,680	115,000
26311	Do	135,826	158,079	166,961
26400	Do	48,503	52,341	52,150
26500	Do	18,863	17,778	14,526
Total tonnage		312,862	349,878	348,637
Toal carloads		10,463	10,555	9,646
Average tons/car		29.8	33.1	36.1

Next, turning to the revenue contribution, it can be seen that from 1966 to 1972, the revenue contribution declined for each commodity group depicted in table 56. The most significant declines were for STCC's 26400 and 26500. Although the revenue-to-variable-cost ratios have declined generally from those observed for 1966, this downward trend appeared to have abated in 1969 with some measure of increase recorded in 1972.

Table 59 below is a recap of the ratios of revenue to variable costs on intraterritorial movements for the four major commodity groups and the 3 years.

The highest ratios of revenue to variable cost were found in the South and the lowest in the official. This was consistently true for each commodity group and each study year.

The major problem area in terms of revenue-cost comparisons is STCC 26400—Converted Paper and Paperboard Products which includes Sanitary Tissue and Health Products, STCC 26471. In both 1969 and 1972, STCC 26400 revenue just barely covered variable costs. For example, the ratio of revenue to variable costs (United States to United States) was 107.4 percent in 1969 and 106.3 percent in 1972, both below the 1966 ratio of 124 percent.

TABLE 59

Ratio of revenue to variable costs (percent)
by territory and major commodity codes

	Major commodity groups			
Territory	26200	26311	26400	26500
		1972		
United States to United States	142.9	144.5	106.3	114.2
Official to official	136.7	125.9	92.9	100.5
Southern to southern	183.8	177.3	126.5	126.5
Western to western	152.4	153.0	115.0	125.5
		1969		
United States to United States	134.9	139.0	107.4	114.1
Official to official	122.2	116.7	86.9	97.2
Southern to southern	169.6	169.8	128.7	127.1
Western to western	148.4	145.3	115.6	121.5
		1966		
United States to United States	145.1	149.2	124.0	123.7
Official to official	137.2	133.1	107.3	111.8
Southern to southern	185.8	184.4	148.8	132.1
Western to western	150.1	150.7	127.6	126.6

With few exceptions the other three major commodity groupings within the broad category, paper and paper products, more than return variable costs. The ratios (United States to United States) for the three major commodity groups are all above 100 for all 3 of the study years, 1966, 1969, and 1972. On two of these four groups, Paper, Except Building Paper (STCC 26200), Paperboard, Pulpboard, and Fiberboard (STCC 26311), the ratio of revenue to variable costs (United States to United States) was greater than 130 percent for all 3 study years, indicating a fair contribution on the part of this traffic to constant costs. The other commodity group, Containers and Boxes (STCC 26500), showed a deterioration in contribution to constant costs from 1966 to 1972 as its ratio of revenue to variable cost declined from 124 percent in 1966 to 114.2 percent in 1972. However, this still indicates that revenues are exceeding variable costs.

The above discussion of the "Burden Study" results for paper and paper products for the years 1966, 1969, and 1972 were provided for general information. In the section to follow revenue-cost comparisons are provided for the so-called representative movements furnished by the various parties to this proceeding. Some differences in the results of the two studies exist. However, it is impossible to draw any meaningful comparison between the "Burden Study" results and those for the so-called representative movements submitted by the various parties.

First, the "Burden Study" is based upon a 1-percent waybill sample of rail traffic in the United States and is implicitly reflective of all rail freight traffic on a proportional basis. On the other hand, the movements submitted by the various parties, for the most part, were not based on any sampling procedures. The selection or "representativeness" of the movements submitted by the various parties cannot be verified. Nevertheless, the various parties have had the opportunity to contest the representativeness of these movements, but in only one statement (rebuttal statement of Western Railroad Association) has a question been raised concerning the representativeness of any movements submitted. It should be noted that the party in this statement directed its commends only to the movements submitted by the Fort Howard Paper Company.

Another reason for the differences in the two studies is that the costs developed in the "Burden Study" are based on broad averages whereas costs developed for the so-called representative movements are based on additional refinements not utilized in the "Burden Study" such as actual route of movement miles broken down by regions, weight of individual shipments, number of interchanges, specific type of shipment, et cetera.

Moreover, the revenues and costs for the so-called representative movements are at the Ex Parte No. 310 (April 1975) rate and cost level, whereas the latest "Burden Study" is for the year 1972 with the rates and costs at the mid-1972 level.

In summary, assuming the so-called representative movements are, in fact, representative of paper and paper products traffic, the revenue-cost comparisons for these so-called representative movements should be computed.

Part I(C)10: Revenue yields and cost of service of representative or repetitive movements.

The order of May 19, 1975, requested that the parties provide data concerning representative and/or repetitive rates on paper and paper products, reflecting rates at the Ex Parte No. 310 level. These data were to include: origin, destination, rate, minimum weight, actual loading, carload revenue, actual and short-line distances, and ton-mile earnings based on actual distance. The data provided have been adjusted to reflect statistics on a net-ton basis. In addition, in order to supplement the record, the Coordinator directed the Section of Cost and Valuation of the Commission to supply the Coordinator with adjusted regional average costs for the typical or representative movements of record.

This compilation of data has provided the Commission the opportunity to study, in depth, the major movements of lumber and lumber products nationwide. With one exception, the issue has not been raised in any of the pleadings as to the actual representative nature of these movements. While we are unable to attest to whether the movements are, in fact, representative, we believe that relative importance in this proceeding should be accorded the cost-revenue comparisons for these so-called representative movements submitted by the parties.

The accuracy of this picture is limited by the data provided by the parties. Actual annual use of the involved rates was not provided in all instances. Thus, weighted averages for all movements or particular types of movements could not be developed and simple averages were substituted of necessity. Minor differences in rates or other input data were also noted and statistics were developed for each set of data provided in these cases due to the impossibility of eliminating these differences. Further, "averages" were presented by some of the parties in lieu of more precise data.

In order to insure the greatest possible accuracy in the evaluation of the data, the movements are compiled by territory of origin, commodity identified by STCC codes, and actual car weights. This breakdown allows comparison of similar types of movements on an intraterritory and interterritory basis.

The tables in appendix A hereto, provide the computation of variable costs for representative rates on paper and paper products as furnished by the parties in this proceeding. In addition to the variable costs computations, the fully allocated costs are developed for these movements with constant costs distributed on three bases, i.e., ton and ton-mile, car and car-mile and dollar basis, to conform with the cost estimates provided in Ex Parte No. 270 (Sub-Nos. 4, 5, and 6), coal, iron ores, and scrap iron and steel, respectively. As noted, the cost estimates provided are for the representative movements of record with the exception of the so-called "paper rates." Also no cost estimates are provided in those instances where sufficient information was not available to prepare the necessary data.

These cost estimates utilized regional average costs adjusted to reflect operating practices as described below. These adjusted regional average costs, which are stated in dollars per net ton, are at the 1975 level of costs and are compared with the rate per net ton which reflects the Ex Parte No. 310 rate level. Separate tables are shown for each commodity identified by STCC numbers, separated by rate territories, distances, and various weight groupings.

The variable and fully allocated costs set forth in appendix A were based on the unit costs shown in Statement No. LCI-73, Rail Carload Cost Scales by Territories for the Year 1973, prepared by the Commission's Cost and Valuation Section. In addition, the costs in these tables reflect an updating to a 1975 level based on the methods outlined in Statement No. 2-58, "Rail Carload Costs Scales by Territories as of January 1, 1958."

Variable costs consist of: (1) the variable portions of freight operating expenses, rents, and taxes (excluding Federal income taxes), and (2) the variable portion of the "cost of capital," excluding any allowance for Federal income taxes. Fully allocated costs consist of the variable costs plus an allocation of the constant costs which are composed of: (1) the constant portions of the freight operating expenses, rents, and taxes (excluding Federal income taxes), and (2) the constant, or remaining portion of the "cost of capital."

When developing the fully allocated cost for a given movement, the variable cost (ultimately stated in cents per net ton for a comparison to the rate) is developed first and to this cost there is then added an allocation of the constant costs. For comparison purposes, fully allocated costs are shown on three bases, with constant costs being allocated on the ton and ton-mile basis, the car and car-mile basis, and the dollar basis. To develop the constant unit costs per ton and per ton-mile, and the constant unit costs per car and per car-mile, the dollar numerators, separated between those expenses and cost of capital not associated with distance (terminal) and those expenses and cost of capital associated with distance (line-haul), remain the same. However, the divisors change, that is, for the ton and ton-mile basis the tons originated and terminated and the ton-miles were used for the respective terminal and line-haul elements; for the car and car-mile basis, the loaded cars and the loaded car-miles were used in a similar way. The constant unit costs for each of the two bases were then applied to the respective tons and ton-miles, and cars and car-miles, generated by a particular movement. The allocated constant costs thus obtained for each basis are converted to constant costs per net ton, which were then added to the variable cost per net ton to produce the fully allocated costs per net ton for each basis. For the dollar basis, an allocation ratio was developed for each region by dividing the total regional variable and constant costs by that region's total variable costs. The variable cost per net ton for a given movement was then multiplied by the applicable regional ratio to produce the fully allocated cost per net ton.

The variable costs shown in appendix A reflect adjustments to territorial average costs to recognize certain transportation characteristics indicated in the exhibits of record, including the actual route of movement miles, actual or average actual lading weights, and car ownership, whether privately owned or railroad owned. Where the car was other than carrier owned, the ownership costs were removed from variable and fully allocated costs. Costs for each movement were based on the specific type of car used.

In addition, where the actual routing of the movement was shown, line-haul costs were adjusted by removing the interchange costs included in the territorial average costs on a loaded car-mile basis and substituting therefor the interchange cost per car interchanged using the number of interchanges from the routings shown in the exhibits of record. This was done for both variable and constant costs. No adjustments were made to the terminal costs.

Of 841 total movements, only one was costed out as a multiple-car shipment, while the remaining 840 were costed out as single-car shipments.

The variable and fully allocated costs shown in appendix A were computed based on a new and extensive computerized cost program developed by the Commission's Section of Cost and Valuation. Spurred by the demands of Ex Parte No. 270, *supra*, the cost program permits cost determinations for a voluminous number of rail shipments having specific transportation characteristics. In these proceedings the railroads and other parties have supplied the Commission with heretofore unavailable revenue and traffic data for specific commodity movements.

Essentially this new cost program applied the various Rail Form A service unit costs to the actual kinds and amounts of services being performed by the railroads in moving specific commodities from origin to destination. Furthermore, to facilitate a more detailed analysis it arrays and groups a multitude of various revenue and cost data into easily understood tables. The new program is capable of doing this function for thousands of movements both quickly and efficiently and at a great savings in man-hours and money.

The compilation of such cost data in this proceeding has provided the Commission with an opportunity to study, in depth, the revenue yields and cost of service of a wide variety of movements having different transportation characteristics, which permits a determination of whether rates on paper and paper traffic are reasonably related to the cost of performing the service.

To facilitate a better understanding of the revenue and cost data shown in appendix A, five basic distribution tables were developed by commodity, rate territories and weight groups showing: (1) the number and percent of rate-to-cost ratios falling below variable and fully allocated costs, (2) the number of rate-to-cost ratios falling within ratio range groups of from below 95 percent to 230 percent and over, along with the composite simple average ratio for each column (3) the lowest, highest, and simple average ratio of rate to variable costs, (4) the number of shipments and simple average rate-to-variable-cost ratios by weight groups, and (5) the number of shipments and simple average rate-to-variable-cost ratios by mileage blocks. These tables are set forth in appendix B.

As noted, a total of 841 movements were costed out for paper and paper products from the exhibits of record. See table 219. Of this total, 76 movements had rate-to-variable-cost ratios below 100 percent. Under the ton and ton-mile method, 176 movements had rate-to-fully-allocated-cost ratios of less than 100 percent, while under the car and car-mile and dollar bases there were 280 and 255 movements, respectively, having ratios less than 100 percent. Viewed in another way, of the total 841 movements, 9 percent failed to cover variable costs whereas 21 percent failed to cover fully allocated costs using the ton and ton-mile method of allocating constant costs and 33 percent and 30 percent of the rates failed to cover the fully allocated costs using the car and car-mile and dollar bases of allocating constant costs, respectively. Of the 841 movements 246 originated in the official territory, 334 (including the 1 multiple-car shipment) in the South, and 261 in the West. This is also shown in table 219.

The overall average ratio of rate to variable cost was 154 percent. The ratio of rate to fully allocated costs was 126 percent using the ton and ton-mile basis, 122 percent using the car and car-mile basis, and 123 percent using the dollar basis. (See table 220.) These ratios do not include the above-mentioned multiple-car shipment. For the one multiple-car shipment, the ratio of rate to variable cost was 179 percent, while the ratios of rate to fully allocated costs were 127 percent (ton and ton-mile), 138 percent (car and car-mile), and 142 percent (dollar basis).

Table 221 shows that the ratio of rate to variable cost ranged from a low of 64 percent for a movement originating in the official territory to a high of 329 percent for a movement originating in the southern territory. Tables 222, 223, and 224 demonstrate, for each territory, that the ratios of rate to variable cost increases as shipment weight increases, while tables 225, 226, and 227 show that no pattern exists with respect to distance.

A summary analysis of the revenue-cost results according to (1) origin territory, (2) major commodity groups by STCC scales, (3) shipment weight, and (4) distance, is shown below.

(1) Origin Territory

A. *Official.*—Table 219 shows that 246 movements or approximately 29 percent of the total number of movements costed out, originated in the official territory. In 34, or 14 percent, the revenue failed to equal variable costs. The percentage of movements where revenue fell below fully allocated costs ranged from 30 percent (ton and ton-mile basis) to 43 percent (car and car-mile basis). As can be seen from table 219 all these percentages were higher than for the U.S. totals. Table 228 indicates that the average ratio of rate to variable cost for these 246 movements was 144 percent which is below the overall U.S. average of 154 percent, but nevertheless represents a significant margin of revenue over variable costs. The average ratio of rate to fully allocated cost ranged from 114 percent (car and car-mile basis) to 118 percent (ton and ton-mile basis).

Table 222 shows that the ratio of rate to variable cost increases with shipment size, rising steadily from 103 percent in the 0-20,000-pound weight bracket to 220 percent in the 140,000-160,000-pound weight bracket. An analysis by distance reveals no patterns. For the 0-100 mileage block, the ratio of rate to variable cost was 109 percent (table 225). From there the ratios remain fairly constant with increases in distance with the exception of the 1,501-2,000 mileage block, where the rate is 113 percent.

B. *Southern.*—There were 334 movements originating in the southern territory, 1 of which was a multiple-car shipment. Of the

333 single-car movements, 24 (7 percent) had revenues below variable cost, while 56 had revenues below fully allocated costs using the ton and ton-mile method. This represents 17 percent of the movements (see table 219). Using the car and car-mile basis, the number of movements where revenue fell below fully allocated costs rose to 97 (29 percent), while the same number using the dollar basis was 85 (26 percent).

The overall average ratio of rate to variable cost was 156 percent (see table 229), slightly higher than the overall U.S. average of 154 percent. Likewise the average ratio of rate to fully allocated cost was slightly higher for the southern territory movements v. the United States as a whole. This ratio for the ton and ton-mile basis was 129 percent (v. 126 percent for the United States), 123 percent using the car and car-mile basis (v. 122 percent for United States), and 124 percent using dollar basis (v. 123 percent for the United States).

Table 223 shows that, with one exception, the ratio of rate to variable cost increases with shipment size. That lone exception was in the 160,000-180,000-pound weight bracket, where the ratio dropped from 223 percent in the 140,000-160,000-pound weight bracket to 176 percent. Since only five movements fell into the 160,000-180,000-pound weight bracket, and all have an origin in Calhoun, Tenn., this may be the result of a single rate or set of rates. Even so, a ratio of rate to variable cost of 176 is still above average for this traffic.

Table 226 shows the results for the southern territory movements by mileage blocks. The 0-100 mileage block shows a very low ratio of rate to variable cost of 98 percent. After that, there is no trend. One can see where the ratio in the 2,001-2,500 mileage block dips to 113 percent, but increases to 167 percent in the 2,501-3,000 mileage block. In each case, the percentages are based on only two movements which makes analysis difficult.

C. *Western.*—A total of 261 movements originated in the West, which represents 31 percent of the movements costed out. Table 219 shows that 18 or 7 percent of these 261 movements had revenues that were below variable cost. The ton and ton-mile method of computing fully allocated costs produced only 45 movements (17 percent) with revenues below fully allocated costs, while the car and car-mile basis produced 77 movements (30 percent) and the dollar basis 69 movements (26 percent).

The overall average ratio of rate to variable cost for the 261 movements was 162 percent (see table 230) compared to 154 percent for the entire United States. The average ratio of rate to fully allocated cost was 131 percent using the ton and ton-mile basis and 129 percent for both the car and car-mile and dollar bases.

Table 224 demonstrates the expected trend with regard to shipment weight. The upper weight brackets produced the highest ratios of rate to variable cost. Table 227 shows mixed results with respect to distance. As with official and southern territory, the 0-100 mileage block had the lowest ratio of rate to variable cost, 119 percent in this case. The ratio rose to 136 percent in the 101-200 mileage block and to 204 percent in the 201-300 mileage block and did not fall below 140 percent in any other mileage block. Any trend is difficult to establish.

(2) Commodity Groups

A. *STCC 26200—Paper (Excluding Building Paper).*—A total of 334 movements fell in this commodity group, including the 1 multiple-car shipment. Virtually half of the movements, 166 of 334, had southern origins, while 102 originated in the official territory and 66 in the West. (See table 231.)

On only 9 movements (3 percent) did revenue fail to cover variable cost, while revenue fell below fully allocated cost for 40 movements (12 percent) under the ton and ton-mile method, and for 50 and 51 movements (15 percent) for the car and car-mile basis and dollar basis, respectively. These statistics are much better than those for the U.S. traffic. (See table 219.)

The average ratio of rate to variable cost for the 334 movements was 173 percent, significantly higher than the U.S. traffic average of 154 percent. The 102 movements originating in the official territory had an average rate-to-variable-cost ratio of 172 percent, while the 166 movements originating in the South produced a ratio of 165 percent. The same ratio for the 66 western movements was 195 percent. While the traffic from all territories exceeded variable cost by healthy margins on the average, the movements with western origins did so by the largest margins. Tables 232 through 235 show this.

Tables 236, 237, and 238 show for each territory of origin that the ratio of rate to variable cost increases with shipment size. Tables 239 through 241, show that the results according to distance are mixed. In some instances, the lower mileage blocks show much lower ratios than the average. For example, the average ratio of rate to variable cost was 101 percent in the 101-200 mileage block for the official territory and also in the 0-100 mileage block for the southern territory, but these were based on a small number of movements.

B. *STCC 26213, Printing Paper, Coated or Uncoated.*—This is a subgroup of the larger commodity group, STCC 26200, Paper (Excluding Building Paper) and consists of 117 movements, 60 of which originated in the official territory, 34 in the southern, and 19 in the west.

The results for this subgroup were even more impressive than those for the commodity group STCC 26200, and much better than those for all the movements in this proceeding. (See table 242.) For only 3 movements, or 2.5 percent of the 117 movements, did revenue fail to cover variable cost. This percentage is approximately the same as for the larger commodity group (STCC 26200) but the percentage of movements where revenue fell below fully allocated costs was 7 percent using the ton and ton-mile basis (v. 12 percent for STCC 26200) and 9 percent for both car and car-mile and dollar bases (v. 15 percent by STCC 26200).

Tables 243 through 246 show the average ratio of rate to variable cost for this subgroup and for each territory. The overall average ratio of rate to variable cost is 173 percent, the same as that for the commodity group STCC 26200. A breakdown by territories shows that the 64 movements originating in the official territory had an average ratio of rate to variable cost of 174 percent (table 247). The same rates were 170 percent for the southern movements and 176 percent for the West. Thus, the ratio remained relatively constant for all territories.

Tables 247 through 249 demonstrate the expected trend with regard to shipment weight. Tables 250 through 252 show the results by mileage for STCC 26213. For each of the three territories, the 1,501-2,000 mileage block shows the lowest ratio of rate to variable cost, and in general the ratio tends to decline with increases in distance.

C. *STCC 26214 Wrapping Paper-Wrappers or Coarse Paper.*—Movements in this subgroup numbered 125, the vast majority of which originated in the South. Of the 125, 85, or 68 percent of the movements in this subgroup, had southern territory origins, 11 originated in the official territory, and 29 in the western territory. (See table 253.)

There were only five movements, all of southern origin, which had revenues below variable cost. This represents 4 percent of the movements in this subgroup. Another 24 movements (19 percent) had revenues below fully allocated cost using the ton and ton-mile basis, while the comparable figures for car and car-mile and dollar bases are 30 movements (24 percent) and 29 movements (23 percent). Table 254 shows that the average ratio of rate to variable cost was 162 percent, somewhat lower than that of the commodity group STCC 26200 (173 percent) and yet, somewhat higher than for the entire proceeding (154 percent). The average ratio of rate to fully allocated cost ranged from 127 percent (car and car-mile basis) to 130 percent (ton and ton-mile basis). A further breakdown by origin territory, shown in tables 255, 256, and 257, show that the 11 movements originating in the official territory had an average ratio of rate to variable cost of 156 percent, the southern movements, 85 in all, showed an average ratio of 153 percent, while the 29 western territory movements had an average ratio of 193 percent. It can be seen from this analysis, that the results from the 29 movements with western origins account for the overall average ratio for STCC 26214 being higher than the overall average for this proceeding.

Tables 258, 259, and 260 demonstrate that, in general, the ratio of rate to variable cost increases with shipment size, while tables 261 through 263 show that trends with respect to distance of movement, except at the very shortest distances, are lacking.

D. *STCC 26311, Fiberboard, Paperboard or Pulpboard.*—A total of 147 movements of this commodity were included in our results, 31 originating in the official territory, 43 in southern, and 73 in western. (See table 264.) Only 1 movement had revenue below variable cost, the lowest percentage (less than 1 percent) of any commodity group or subgroup. Only 8 movements (5 percent) had revenues below fully allocated costs using both the ton and ton-mile and car and car-mile methods while 12 movements (8 percent) had revenue below fully allocated cost under the dollar basis.

The overall average ratio of rate to variable cost was 179 percent (tables 265 through 268) the highest for any commodity group or subgroup, while the average ratio of rate to fully allocated cost ranged from 139 to 144 percent. The 31 movements originating in the official territitory had an average ratio of rate to variable cost of 165 percent (table 266) while the same percentages were 179 percent for the South and 185 percent for the West. Tables 269, 270, and 271 show the expected results with respect to weight, i.e. the ratio of revenue to cost increases with shipment weight. Also noteworthy is the predominance of heavy loading which is one of the principal reasons for such high revenue-cost ratios in this commodity group. While only 5 of the 31 movements (16 percent) originating in the official territory had weights of 100,000 pounds or more, 26 of the 43 southern movements (60 percent) had shipment weights exceeding 100,000 pounds, while 57 of 73 movements with western origins (78 percent) exceeded that weight. As previously noted, the average ratio of rate to variable cost rose steadily from 165 percent in the official to 185 percent in the West. Tables 272, 273, and 274 demonstrate that there is no trend with regard to distance for this commodity.

E. *STCC 26400 Converted Paper or Paperboard.*—This commodity group consists of 284 movements, 63 with origins in the official territory, 112 in the southern territory and 109 in the West. Table 275 shows that 45 movements or 16 percent had revenues below variable cost (compared to 9 percent for all the United States total shown in table 219). The number of movements where revenue fell below fully allocated cost was 94 (33 percent) using the ton and ton-mile basis, 172 (61 percent) using the car and car-mile basis, and 145 (51 percent) using the dollar basis. These statistics compare very unfavorably to those of other commodity groups and subgroups.

Table 276 shows that the overall average ratio of rate to variable cost is 129 percent for the commodity group. The same percentage for STCC 26200 was 173 percent, for STCC 26311, 179 percent, and as shall be seen, for STCC 26500, even lower at 119 percent. The results by territory are contained in tables 277, 278, and 279. Table 277 shows that the results for the official territory movements, 63 in all, produced lower ratios than for the commodity as a whole. The average ratio of rate to variable cost was 111 percent, while the ratio of rate to fully allocated cost was below 100 percent regardless of which allocation basis was used. For the southern territory (table 278) the average ratio of rate to variable cost improved to 138 percent, while the same results for the West showed an average ratio of 131 percent.

The importance of tables 280, 281, and 282 lies not only in the fact that it shows improving revenue-cost ratios for succeeding weight brackets, but also that the traffic in this commodity group moved primarily in the lower weight brackets. This would account for the relatively low revenue-cost ratios. Table 280 shows that 86 percent (54 of 63) of the movements originating in the official territory fell into the 20,000-40,000-pound weight bracket. Another 65 percent of the southern shipments fell into that same weight bracket and no shipment had a weight of greater than 80,000 pounds. Likewise, 92 percent of the western shipments (table 282) had weights of 60,000 pounds or less. The results by mileage block, shown in tables 283 through 285, show no trends.

F. *STCC 26431, Paper Bags.*—There were 73 movements of this commodity subgroup submitted for analysis. Table 286 shows that only 10 had origins in the official territory, 37 originated in the South, and the remaining 26 in the West. Of the 73, only 3 had revenue below variable cost, while from 8 to 16 had revenues below fully allocated cost, depending on the method of allocation employed.

Tables 287 through 290 show the average ratios for the subgroup as a whole and for each territory. The overall average ratio of rate to variable cost was 154 percent, which is the same as the overall U.S. average for all commodities and well above the average (129 percent) for its commodity group, STCC 26400. The 10 movements from official territory only had an average ratio of rate to variable cost of 132 percent. For the 37 southern movements, the ratio was 155 percent and for the western movements, which numbered 26, the average ratio was 161 percent.

Tables 291 through 296 display the results by weight bracket and mileage block, respectively. The same trends or lack thereof are present as were present in other commodity groups or subgroups.

G. *STCC 26471, Sanitary Tissue or Health Products.*—A total of 188 movements were included in this subgroup. The breakdown by origin territory, as can be seen from table 297, shows 53 from the official territory, 54 from the southern territory, and 81 for the West. Of the 188 movements, 40 (21 percent) had revenues below variable cost. Using the ton and ton-mile basis, 81 movements (43 percent) had revenues below fully allocated cost. Using the car and car-mile basis, 145 movements had revenues below fully allocated cost, which represents 77 percent of the movements, while 125 movements (66 percent) had revenues below fully allocated cost using the dollar basis.

The overall average ratio of rate to variable cost was 119 percent (table 298) the lowest of any of the commodity groups or subgroups. The movements originating in the official territory yielded an average ratio of only 107 percent (table 299), while the same ratio for the South was 127 percent and 121 percent for the West (tables 300 and 301).

Tables 302 through 304 show the results by weight bracket. Analysis by weight bracket is rendered impossible because the movements all fall in two weight brackets, the 20,000-40,000-, and the 40,000-60,000-pound brackets, in each territory. In the official territory, all of the movements fall in a single weight bracket, while the movements originating in either the South or West are confined to two weight brackets.

Tables 305, 306, and 307 show the results for STCC 26471 by mileage block. No clear trends are discernible with regard to this variable.

H. *STCC 26500, Containers or Boxes, Paperboard.*—A total of 75 movements of this commodity were submitted for costing. The vast majority, 49, originated in the official territory, while 13 movements had origins in the southern and western territories. (See table 308.) Of the 75 movements 21 or approximately 28 percent, had revenues below variable cost.

Using the ton and ton-mile basis of computing fully allocated costs, 33 movements (44 percent) had revenues below fully allocated cost. Using the car and car-mile and dollar bases, the number of movements with revenue falling below fully allocated cost rose to 48 and 47, respectively, which represents 64 and 63 percent of the movements of this commodity.

The average ratio of rate to variable cost was 119 percent, the lowest of any commodity group or subgroup in this proceeding, and well below the overall U.S. average of 154 percent. (See table 309.) The 49 official territory movements had an average ratio of rate to variable cost of 113 percent, table 310, while the ratios for the South and West were 129 and 131 percent, respectively.

Tables 313, 314, and 315 display the results by weight bracket while tables 316, 317, and 318 show the results by mileage block. Table 314 shows a rising trend with respect to weight for the southern territory, while table 318 shows a similar trend for western territory movements with respect to distance.

(3) Shipment Weight

In general, the revenue-cost ratios developed, regardless of origin territory or other factors, increased with increases in shipment weight. Evidence of this was sighted throughout. Further, evidence is offered in tables 319 through 328 which show the average ratio of rate to variable cost for all STCC's and all territories for each weight bracket. It is noted that this ratio increases steadily from 107 percent in the 0-20,000-pound weight bracket in table 319 to 258 percent in the 180,000-200,000-pound weight bracket in table 328; the only aberration coming in the 160,000-180,000-pound weight bracket in table 327 where the ratio of 198 percent was below that of the previous weight bracket.

(4) Distance

It has been observed throughout this section that the results obtained in terms of revenue-cost ratios bear little relationship if any to the distance traveled. However, it was observed that traffic moving very short distances, of 100 miles or less, has very low ratios of revenue.

Part I(D): Coordinator's Conclusions

Current rates on paper reflect rate structures that were developed throughout the years from the voluntary actions of the rail carriers and shippers. As intermodal competition has increased, rail carriers have responded to shipper needs by providing adequate rates to meet the overall situations as they exist. A careful review of the history of rates reveals that the rates were generally justified for one or more of the following reasons: (1) development of new mills, (2) market competition, (3) foreign competition, (4) motor carrier and barge competition, and (5) encouragement of heavier loading of cars by establishment of incentive rates.

Motor carrier competition especially has been a significant factor in the development of rail rates. In order to maintain a competitive level of rates, rail carriers have at times taken a lesser increase than authorized or no increase at all in regard to the general increases.

As might be expected, the cost evidence shows noncompensatory or marginally compensatory rates in the low-mileage blocks (0-200) and the lower loading ranges (0-40,000 pounds). Sanitary paper products are marginally noncompensatory or compensatory in official territory in almost all mileage blocks (prior to the applicable I. and S. Docket No. 8978 increases), with about half the movements showing rate-to-variable-cost ratios of 100 to 119 percent. Converted paper or paperboard also shows marginally compensatory or noncompensatory revenues for all mileage blocks in official territory. With some minor exceptions, the remainder of the movements are compensatory for all territories. On the high side, when the revenues-to-variable-cost ratios have exceeded 200 percent, the shipments were usually few in number and/or occurred on heavy incentive loadings of 120,000 to 140,000 pounds.

To a substantial extent, the carriers and shippers have been able to resolve their problems without resort to formal litigation. The two most recent areas of litigation are the *Anglo-Canadian Pulp and Paper Mill, Ltd., supra*, and I. and S. No. 8978, *Sanitary Papers, Western Trunk Line Territory*, decided by Review Board Number 4 on June 16, 1975 (not printed), reconsideration denied by Appellate

Division 2 on November 14, 1975, and related cases. In the I. and S. No. 8978 series of cases, revenue increases for sanitary paper were approved. As previously stated, these revenue increases are not reflected in our cost analyses.

Other factors should be kept in mind when viewing the record in general and the cost evidence in particular. The most recent data available for this proceeding are taken from a time span which includes, within a 5-year span, a recessionary economy, mandatory wage-price controls, inflation, major environmental legislation, and fuel shortages accompanied by rapidly rising fuel costs.

Major changes will take place in the future since passage of the Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act). This act has merged various northeastern rail carriers into the Consolidated Railroad Corporation and will bring about other changes in the structures and practices of the northeastern rail carriers. The 4R Act also requires a revision in our system of accounts and in our costing methodologies. In respect to the latter, the 4R Act has modified and changed some of the costing concepts and their application from those currently in use.

Because of the above factors, the Coordinator concludes that the rate structures for paper and paper products are compensatory and not unreasonably high. These conclusions are, of course, not to be taken as blanket approval of each and every rate applying on paper and paper products. However, as previously stated in Ex Parte No. 270 (Sub-No. 4), *Investigation of Railroad Frt. Rate Structure—Coal*, 345 I.C.C. 71, 316, "the attack on, or proposed changes in such rates can best be met by the filing of specific complaints."

PART II

SELF-DEFEATING NATURE OF GENERAL INCREASES IN PAPER AND PAPER PRODUCTS

The Coordinator's May 19, 1975, order, requested that the parties present evidence designed to show that general rate increases on paper and paper products may or may not have been self-defeating in nature with respect to generating revenues.

Respondents were asked to show the general rate increases sought, those authorized by the Commission, and those actually applied by the carriers individually, plus any other rate change on all significant movements of paper and paper products beginning with and subsequent to Ex Parte No. 256 increases. Reasons were to be set forth for application of increases less than those authorized.

Evidence was to be submitted by any party concerning the response of production and sales of paper and related products to the price changes in these commodities.

The responses of the parties are somewhat predictable. The railroads are unanimous that the general increases have not been self-defeating and point to increasing revenues and tonnage from the issue commodities. On the other hand, the shipping interests state that the general increases are self-defeating and cite statistics to show that railroads are losing their traditional percentage share of the market to competing modes of transportation.

Evidence showing the sought rate increases, those authorized by the Commission, and the increases actually applied has been set forth in part I, as is evidence regarding the reasons for not applying the full amount of authorized increases. Similarly, marketing characteristics of paper and related articles are also discussed in part I of this report.

Special Projects Staff.—SPS states that an indication of the effects of general increases on the ability of the Nation's railroads to generate revenue can be found by examining the level of traffic generated by the paper and paper products industry in relation to the level of traffic as a whole and that in this regard general increases appear to have no effect upon the level of traffic offered to the railroads by the paper industry. Since 1966 the absolute level of paper and paper products shipments terminating on class I railroads has increased even though the total tonnage of all commodities terminating on all class I railroads has remained fairly stable. This would indicate that paper and paper products are supplying an increasing share of the railroads' total business. As the following table illustrates, in terms of tons, carloads, and gross revenue for the United States as a whole, the percentage share contributed by the paper and paper products industry has increased between 1966 and 1972. Between 1972 and 1973, the tonnage relationship of paper and paper products compared with total tonnage shipped remained stable with carloads and gross revenues decreasing slightly.

The results of an examination of this data for the eastern, southern, and western regions as presented in Freight Commodity Statistics for 1966, 1972, and 1973 conform generally to the results found in the United States as a whole. Again, as the next table illustrates, the percentage of paper and paper products terminating in the eastern district has increased between 1966 and 1972 and either increased or remained stable between 1972 and 1973. The same generalization also applies to southern district shipments. Western district shipments also show percentage increases between 1966 and 1972 with a decline shown between 1972 and 1973.

TABLE 60

Tons, carloads and gross revenue, class I railroads paper and paper products—1966, 1972, 1973

Year	Tons			Carloads			Gross revenue		
	All commodities rail	Paper and paper products rail	Percent paper and paper products of total tons	All commodities rail	Paper and paper products rail	Percent paper and paper products of total carloads	All commodities rail	Paper and paper products rail	Percent paper and paper products of gross revenue
				United States					
1966	1,387,992,629	36,071,612	2.5	28,050,341	1,147,539	4.0	9,679,324,440	457,530,947	4.7
1972	1,410,768,208	43,232,656	3.0	25,344,269	1,154,064	4.5	12,985,675,160	689,147,953	5.3
1973	1,496,890,673	45,128,787	3.0	26,635,157	1,181,192	4.4	14,309,000,000	718,712,000	5.0
				Eastern district					
1966	605,435,389	17,357,570	2.8	12,063,354	554,280	4.5	3,697,705,877	172,841,992	4.6
1972	540,113,441	18,847,966	3.4	9,649,156	496,352	5.1	4,452,074,000	231,046,099	5.1
1973	575,032,568	19,717,642	3.4	10,166,321	503,939	4.9	4,821,465,000	291,940,678	6.0
				Southern district					
1966	305,667,438	6,270,756	2.0	5,794,225	191,957	3.3	1,485,692,894	100,070,306	6.7
1972	366,045,513	8,828,105	2.4	6,245,036	232,632	3.7	2,279,028,446	174,878,754	7.6
1973	375,715,574	9,206,362	2.4	6,437,095	242,206	3.7	2,481,492,000	183,312,000	7.3

TABLE 60

Tons, carloads and gross revenue, class I railroads paper and paper products—1966, 1972, 1973—Continued

Year	Tons			Carloads			Gross revenue		
	All commodities rail	Paper and paper products rail	Percent paper and paper products of total tons	All commodities rail	Paper and paper products rail	Percent paper and paper products of total carloads	All commodities rail	Paper and paper products rail	Percent paper and paper products of gross revenue
				Western district					
1966	476,889,802	12,443,286	2.6	10,192,762	401,302	3.9	4,495,925,669	184,618,569	4.1
1972	504,609,254	15,556,585	3.0	9,450,077	425,080	4.4	6,254,571,719	283,223,130	4.5
1973	546,142,531	16,204,783	2.9	10,031,741	435,047	4.3	7,006,043,000	295,729,000	4.2

Source: I.C.C. Bureau of Accounts, *Freight Commodity Statistics, Class I Railroads* (Wash., D.C. 1966, '72, '73).

SPS states that this analysis generally supports the conclusion that general freight rate increases have no effect upon the ability of the Nation's railroads to generate traffic.

A review of the revenue figures for all paper products definitely shows a growth in revenue from 1966 to 1973, a period of large general freight rate increases. In 1966, gross freight revenue for paper and paper products was slightly more than $457.5 million; in 1972 this figure reached almost $689.2 million and in 1973 totaled slightly more than $718.7 million, a $261.2 million increase over 1966 levels.

SPS recognizes that a large volume of paper products traffic moves via truck, especially private carriage. While figures were available for common carrier movements from the Quarterly Commodity Statistics, the American Paper Institute declined to supply SPS with the necessary data for private truck to make any corresponding analyses between truck and rail meaningful. Despite this limitation, SPS still concludes that general freight rate increases have not seriously impeded the ability of the Nation's railroads to generate increased revenue from the paper and paper products industry.

Southern district carriers.—The southern district carriers do not feel the general increases for paper have been self-defeating in generating additional revenue or tonnage.

Southern submitted the following table to establish that the increases have not been self-defeating.

TABLE 61

Statement showing number of cars, tons and revenue of paper and paper products[1] handled by rail in southern district[2] for the years 1958 through 1973, inclusive

Year	Revenue freight originated		Revenue freight terminated		Total freight traffic		Gross freight revenue
	Cars	Tons	Cars	Tons	Cars	Tons	
1958	187,891	5,437,069	124,803	3,260,939	471,120	13,568,155	$71,273,987
1959	218,655	6,459,149	141,056	3,731,994	535,622	15,613,815	81,001,445
1960	220,630	6,728,384	143,243	3,866,056	524,636	15,588,073	79,812,654
1961	227,656	7,144,993	151,088	4,211,378	546,226	16,690,146	83,636,195
1962	231,952	7,660,777	158,659	4,606,560	554,054	17,746,158	84,802,411
1963	225,028	8,030,090	158,682	4,862,280	531,658	18,244,265	82,740,095
1964	233,046	8,538,008	176,564	5,459,512	555,338	19,488,259	88,524,176
1965	232,333	8,677,499	178,299	5,662,580	555,186	19,840,118	92,450,006
1966	254,314	9,633,578	194,957	6,270,756	597,228	21,770,967	100,070,386
1967	270,302	10,262,476	201,322	6,730,099	609,250	22,473,246	104,943,975
1968	301,814	11,642,308	217,228	7,408,287	660,044	24,683,102	119,872,380
1969	318,617	12,522,113	228,849	8,041,992	695,909	26,594,536	136,656,967
1970	308,196	12,382,869	227,930	8,243,360	679,019	26,517,520	148,338,127
1971	300,115	12,336,514	228,611	8,438,705	673,821	26,910,774	163,907,398
1972	312,044	13,199,992	232,632	8,828,105	690,834	28,380,411	174,878,754
1973	327,266	14,001,634	242,206	9,206,362	600,386	24,491,482	183,311,000

[1] As described in Commodity Group Nos. 657, 659, 661, 663, 665, 669, and 783 for years 1958 thru 1963, and STCC Nos. 262, 263, 264, and 265 for years 1964 thru 1973.

[2] Southern region, 1958 thru 1965; thereafter, southern district.

Source: ICC Freight Commodity Statistics - Class I Railroads - Years 1958-1973.

The southern carriers have also experienced significant increases in revenues from paper and paper products traffic. From 1958 through 1973, gross revenue rose from $71,273,987 to $183,311,000 or an increase of 157 percent. Gross revenue of all freight traffic during the period advanced from $1,190,783,399 to $2,481,492,000 or an increase of 108 percent.

The next table shows average revenue per ton on paper and paper products for the southern district carriers. From 1958 through 1967, average revenue declined from $13.11 to $10.23 per net ton, a decrease of 22 percent. The decline in average revenue per ton, according to respondents, reflects downward revisions in rate levels. Beginning in 1968 average revenue per ton began to increase coinciding with the general rate increases. However, average revenue per ton in 1973 was still lower than in 1958.

TABLE 62

Average revenue per ton on paper and paper products[1] originated by southern district class I railroads (1958-1973)

Year	Net tons originated	Revenue	Average revenue per ton	Index
1958	5,437,069	$71,273,987	$13.11	100
1959	6,459,149	81,001,445	12.54	96
1960	6,728,384	79,812,654	11.86	90
1961	7,144,993	83,636,195	11.71	89
1962	7,660,777	84,802,411	11.07	84
1963	8,030,090	82,740,095	10.30	79
1964	8,538,008	88,524,176	10.37	79
1965	8,677,499	92,450,006	10.65	81
1966	9,633,578	100,070,386	10.39	79
1967	10,262,476	104,943,975	10.23	78
1968	11,642,308	119,872,380	10.30	79
1969	12,522,113	136,656,967	10.91	83
1970	12,382,869	148,338,127	11.98	91
1971	12,336,514	163,907,398	13.29	101
1972	13,199,992	174,878,754	13.25	101
1973	14,001,634	183,311,000	13.09	100

[1] Paper and paper products include STCC Nos. 262, 263, 264, and 265.

Source: ICC Freight Commodity Statistics—years 1958 through 1973.

Average revenue per ton for all freight traffic other than paper and paper products is contained in the table below.

TABLE 63

Average revenue per ton all freight traffic other than paper and paper products originated by southern district class I railroads (1958-1973)

Year	Net tons originated	Revenue	Average revenue per ton	Index
1958	232,169,637	$1,119,509,412	$4.82	100
1959	244,719,932	1,154,487,333	4.72	98
1960	242,963,219	1,104,554,495	4.55	94
1961	240,315,423	1,095,861,052	4.56	95
1962	251,443,332	1,159,024,641	4.61	96
1963	263,738,147	1,197,593,065	4.54	94
1964	276,992,550	1,252,591,246	4.52	94
1965	288,551,287	1,308,409,563	4.53	94
1966	303,617,162	1,385,626,508	4.56	95
1967	318,408,624	1,412,214,126	4.44	92
1968	318,414,967	1,510,355,251	4.74	98
1969	328,061,914	1,648,755,817	5.03	104
1970	338,633,721	1,787,942,966	5.28	110
1971	335,759,884	1,960,562,894	5.84	121
1972	354,192,912	2,104,149,692	5.94	123
1973	366,216,577	2,298,181,000	6.28	130

Source: ICC Freight Commodity Statistics—years 1958 through 1973.

From 1958 through 1973, average revenue per ton on all other freight traffic other than paper and paper products rose 30 percent.

Since newsprint paper is highly susceptible to both common and private motor carrier handling, the southern carriers state this aspect alone has influenced the carriers' pricing for transporting newsprint paper in an effort to keep rates on a competitive basis with motor carriers. The following tables were prepared to show a comparison of representative motor carrier rates with rail rates. The rail rates include delivery to consignees located at off-track locations.

TABLE 64

Comparison of present motor carrier rates with rail rates at X-310-A level on newsprint paper moving from Coosa Pines, Ala., to southern destinations

(RATES IN CENTS PER 100 POUNDS)

Docket No. 28300 miles	Truck rates 40M	Present rail rates				
		40M	50M	80M	100M	Excess
100	54	42	40	38	34	24
200	69	57	53	49	46	30
300	83	74	67	61	54	34
400	93	89	80	74	69	41
500	104	106	91	85	78	47
600	119	115	105	92	87	52
700	131	126	113	106	94	56
800	141	134	121	112	105	64
900	147	146	129	119	110	66
1,000	156	153	134	123	115	69

Tariff authority:

Truck Rates—SMCRC Freight Tariff 514-T, MF-ICC 1807, item 151151-D.

Rail Rates—SFTB Freight Tariff 887-E, ICC S-864, item 60410-K. Includes additional 4 cents per hundredweight per item 350-C.

TABLE 65

Comparison of present motor carrier rates with rail rates at X-310-A level—from and to specific points

(RATES IN CENTS PER 100 POUNDS)

Origin	Destination	Truck rate	Minimum weight	Rail rates				
				40M	50M	80M	100M	Excess
Coosa Pines, Ala	Panama City, Fla	78	42M	74	67	61	54	34
Mobile, Ala	Columbia, S.C.	115	40M	113	101	91	86	50
Nixon, Ga	Chattanooga, Tenn	79	40M	76	69	64	57	36
Nixon, Ga	Florence, Ala	103	44M	105	90	84	76	46
Calhoun, Tenn	Birmingham, Ala	67	40M	54	50	47	43	29

Tariff authority:

Truck Rates—SMCRC Freight Tariff 6, MF-ICC 1797.

Rail Rates—SFTB Freight Tariff 887-E, ICC S-864. Includes additional 4 cents per hundredweight per item 350-C

Southern notes that rail rates are generally competitive with motor carrier rates at the lower minimum weights of 40,000 and 50,000 pounds. At the 80,000- and 100,000-pound minimum weights rail carrier rates are substantially lower than the motor carrier rates and offer shippers an incentive for heavier loading of rail equipment, which results in transportation savings.

While some individual motor carriers have published rates lower than the existing rail rates, respondents state that rail carriers will treat each situation based on its own merits.

Southern's next table shows a comparision of rates in effect on newsprint paper at the Ex Parte No. 175-B level (1952) with the lowest average rate at the Ex Parte No. 310-A level.

TABLE 66

(RATES IN CENTS PER 100 POUNDS)

Docket No. 28300 miles	Ex Parte No. 175-B level			Ex Parte No. 310-A level		
	Rates			Rates		
	First class	40M	Percent of first class	First class	Average[1] rate	Percent of first class
100	131	30	22.9	309	27	8.7
300	206	52	25.2	484	43	8.9
500	266	66	24.8	624	64	10.3
700	322	79	24.5	756	77	10.3
1,000	397	94	23.7	931	92	9.8
Average			24.2			9.6

[1] Average rate was arrived at by applying rates subject to minimum weight of 100,000 pounds and excess based on average weight of all Southern Railway movements in 1974 in equipped boxcars of 151,164 pounds.

This statement shows not only that the average rates today are lower than those in effect in 1952, but also, that the percentage relationship to first class dropped approximately 14 percent.

Southern points out that other than general increases, there have been no further major adjustments in the newsprint paper rates between points in southern territory. The next table sets forth rates on newsprint at the Ex Parte No. 310-A level and published in SFTB Freight Tariff 887-E, ICC S-864.

TABLE 67

Newsprint rates at Ex Parte No. 310-A level

(RATES IN CENTS PER 100 POUNDS)

Docket No. 28300 miles	Rate 40M	Rate 50M	Rate 80M[1]	Rate 100M[1]	Rate Excess[1]
100	38	36	34	30	20
200	53	49	45	42	26
300	70	63	57	50	30
400	85	76	70	65	37
500	102	87	81	74	43
600	111	101	88	83	48
700	122	109	102	90	52
800	130	117	108	101	60
900	142	125	115	106	62
1,000	149	130	119	111	65

Note: Rates subject to additional charge of 4 cents per 100 pounds. Minimum weights shown are for movements in cars not exceeding 53 feet in length. In cars over 53 feet in length minimum weights are generally increased 20 percent.

[1] Applicable only from Calhoun, Tenn., Catawba, S.C., Coosa Pines, Ala., Mobile, Ala., and Nixon, Ga.

Western district carriers and eastern district carriers.—Although the record developed by these carriers is not as extensive as that developed by the southern carriers, they nevertheless arrive at similar conclusions. Hence, no useful purpose would be served in summarizing in detail the representation of these carriers. The western rail carriers believe that the general rate increases on paper and paper products have not been self-defeating when the entire movement of those commodities is considered. While there may have been instances where the general revenue increases have caused diversions in traffic, rail carriers have allegedly taken action to adjust rates so that the diversions caused by such increases have been corrected.

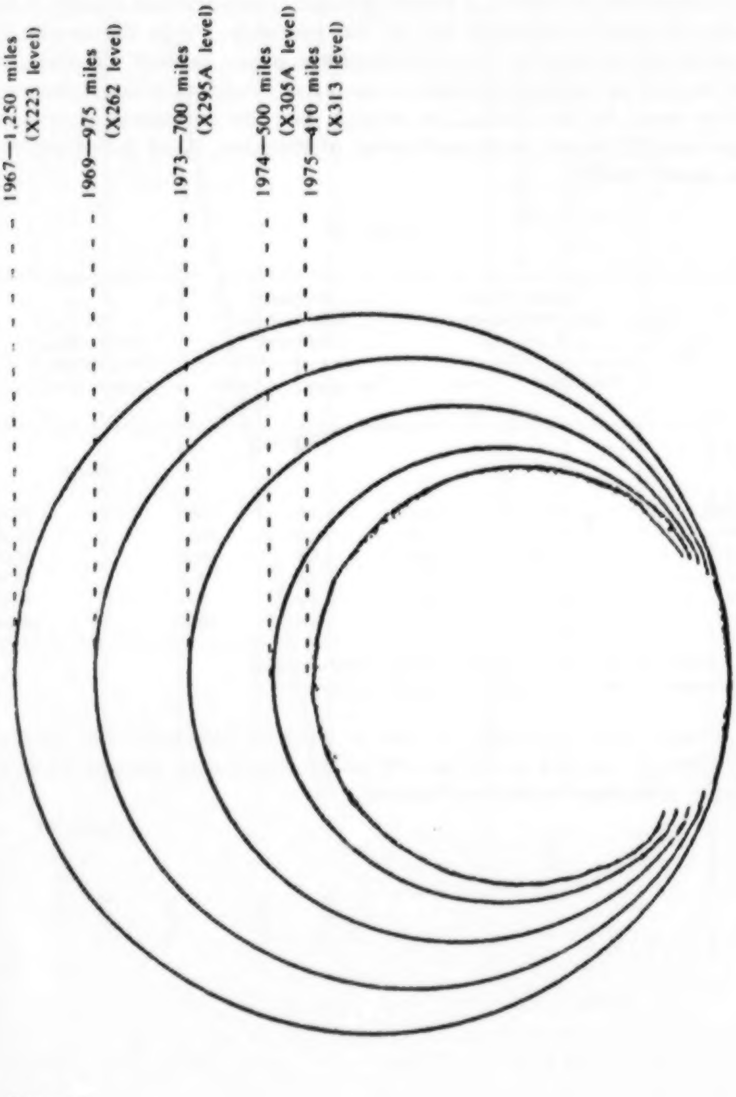
Data from ICC Freight Commodity Statistics was compiled by eastern district railroads from 1967 through 1973 to show "that the general rate increases have not been shown to be self-defeating with respect to generating revenues." However, while wrapping paper shows an increase in tonnage for this period, paper, newsprint, paperboard, and converted paper and paperboard show a peak in 1969 and a return to that position in 1973. During the same period, revenue gains were significant for these items. For paper bags and boxes there was a decline in tonnage while revenues showed a slight increase for paper bags and remained the same for boxes.

American Paper Institute.—Witness Fast states that a railroad rate on paper and paper products of 100 cents effective August 18, 1967, will have climbed to 195 cents by October 11, 1975. Conversely, a similar study of two major motor carrier ratemaking jurisdictions doing business in official territory reveals they have increased their truckloads and volume rates at a "conspicuously more reasonable pace." A rate of 100 cents in effect June 28, 1967, within Central States Motor Tariff Bureau territory would be 152 cents and a rate of 100 cents applicable on July 2, 1967, within Middle Atlantic Conference territory would be 160 cents.

The witness states that the cumulative effect of recent increases is perhaps best understood by studying the confluence of the most recent boosts in volume freight rates. In index terms of August 1, 1975 - 100, the October 11, 1975, index will be as follows: rail, 144.780; Central States Motor Freight Bureau Territory, 120.395; Middle Atlantic Conference territory, 122.779; and the New England Motor Freight Bureau territory, 116.849. The conclusion is that railroad freight rate increases in a comparatively short time have outstripped their motor carrier counterparts by a very wide margin in spite of the fact the motor carriers are considerably more labor intensive than the railroads.

The witness is convinced general rate increases have contributed immeasurably to the railroads' shrinking share of the available market. Higher freight rates encourage shippers to sell their products closer to production locations in order to minimize the cost of transportation. The decline in the purchasing power of official territory paper producers' freight dollar is depicted in the following figure, which shows the contracted area to be served for a "freight dollar."

FIGURE 2


1967—1,250 miles (X223 level)
1969—975 miles (X262 level)
1973—700 miles (X295A level)
1974—500 miles (X305A level)
1975—410 miles (X313 level)

While the foregoing is referenced to general-commodity haulers' truckload rates, specialized haulers are stated to have proven to be a particularly valuable asset to paper shippers generally by providing an expedited service at a lesser through transportation charge than what is usually provided for by the railroads. From the available operating statistics of "several pertinent paper haulers" tabulations of increasing traffic, total assets, operating revenues, and net income were made by the witness to demonstrate the economic growth of specialized haulers as an indication of their increased participation in paper traffic.

TABLE 68

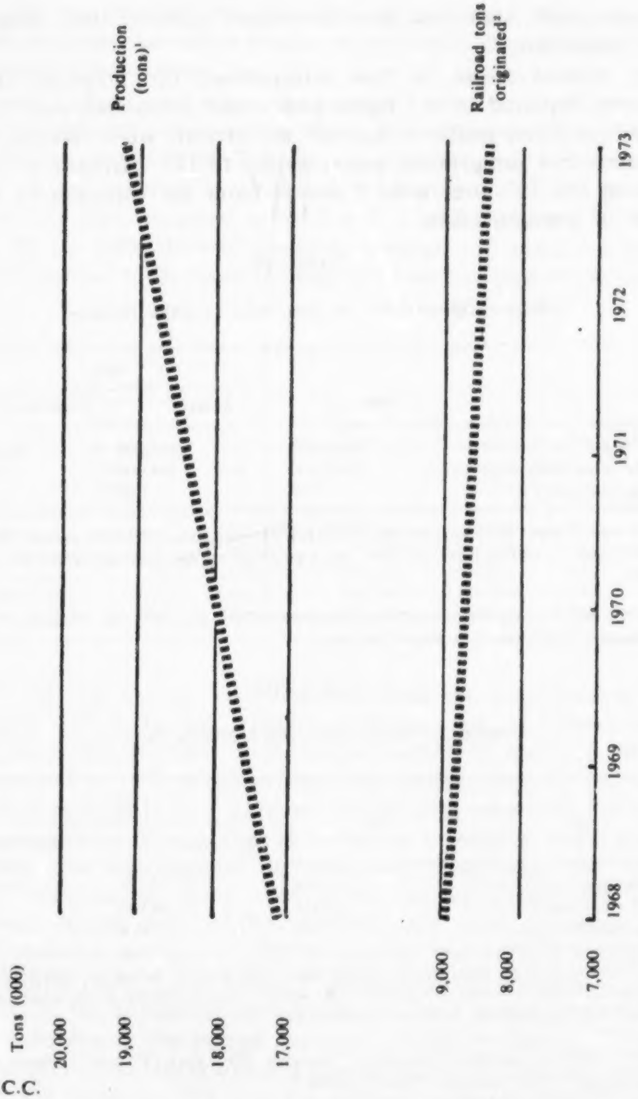
Year	Eastern district paper and paperboard production[1]		Originated eastern district railroads[2]		Ratio of tons originated to production (col. 3 ÷ col. 1)
	Tons (000)	Index 1970-100	Tons (000)	Index 1970-100	
					Percent
1968	17,571	101.6	8,750	100.6	49.80
1969	17,971	103.9	9,085	104.5	50.55
1970	17,303	100.0	8,694	100.0	50.24
1971	17,737	102.5	9,222	94.6	46.35
1972	18,816	108.7	8,386	96.5	44.57
1973	19,763	114.2	8,693	100.0	43.99

[1] Statistics of Paper & Paperboard, American Paper Institute.

[2] Freight Commodity Statistics, ICC Bureau of Accounts.

Charts were prepared by the witness to illustrate the steady decline of railroad participation in the hauling of eastern district paper and paperboard production.

FIGURE 3



Source: [1]Statistics of Paper & Paperboard, American Paper Institute
[2]Freight Commodity Statistics, ICC Bureau of Accounts

While production tons have increased, railroad tons originated have decreased.

The witness states he has extrapolated the meaning of the diversion depicted in the figure above and calculates that 51,600 carloads of paper traffic within official territory were diverted. It is estimated that for printing paper alone, 15,127 carloads of traffic weighing 596,757 tons were diverted from the railroads to other modes of transportation.

TABLE 69

Official to Official STCC 26, Pulp, Paper or Allied Products

	1969	1972	
		Actual	Constructive[1]
Tons shipped	9,693,300	8,912,000	10,471,672
Number of carloads	347,100	294,000	345,600
Average tons per car	27.9	30.3	30.3

[1] Total tons of paper *shipments increased 8.03 percent* during the 1969-1972 period. Therefore, 9,693,300 tons x 1.0803 = 10,471,672 tons and a potential 345,600 carloads (10,471,672÷30.3 = 345,600).

SOURCE "1972 Carload Waybill Statistics," Statement TD-1, year 1972 and "Statistics of Paper & Paperboard," 1974, American Paper Institute.

TABLE 70

Official to Official STCC 26213, Printing Paper

	1969	1972	
		Actual	Constructive[1]
Tons shipped	2,322,600	1,973,200	2,569,957
Number of carloads	67,400	50,100	65,227
Average tons per car	34.5	39.4	39.4

[1] Total tons of printing paper shipments increased 10.65 percent during the 1969-1972 period. Therefore 2,322,600 x 1.1065 = 2,569,957 tons which when converted is the equivalent of a potential 65,227 carloads (2,569,957 ÷ 39.4 = 65,227).

SOURCE: "1972 Carload Waybill Statistics," Statement TD-1, year 1972 and "Statistics of Paper & Paperboard," 1974, American Paper Institute.

Paper shippers, in the witness' opinion, are "anxious and willing to maintain their patronage of the railroads. Many of them look upon railroad transportation as the best overall solution to their marketing requirements. Nonetheless they are also keenly aware of the rate and other penalties that are to be paid if they continue their rail carrier relationship."

Witness Kachel also takes the approach that general increases have diverted traffic from rail to truck. A tabulation of Lake States mills showed that in 1966 79.2 percent of their heavy-density paper moved via rail whereas in 1972 only 65.9 percent moved via rail. Further diversion occurred in 1973 with a slight rebound in 1974. All in all, the rails' share of available tonnage in 9 years decreased some 13 percent while truck tonnage increased 13 percent as shown below.

TABLE 71

Year	Number of mills reporting	Tons			Percentage	
		Rail	Truck	Total tons	Truck	Rail
1966	7	805,387	211,711	1,017,099	20.8	79.2
1969	15	983,384	351,983	1,335,867	26.4	73.6
1972	19	1,267,554	655,469	1,923,023	34.1	65.9
1973	21	1,585,218	945,180	2,530,398	37.4	62.6
1974	22	1,721,690	878,457	2,600,147	33.8	66.2

API's witness Glenn, testifying regarding the southwestern rate structure, refers to his exhibits wherein rail participation in newsprint traffic declined from 81.0 percent of the traffic in 1965 to 51.7 percent in 1973 while private and for-hire trucking increased from 14.1 percent to 47.7 percent. The witness submitted rail truck rate comparisons from origins in Arkansas, Louisiana, and Texas to representative destinations in Louisiana, Oklahoma, and Texas. These comparisons show that motor carrier newsprint rates, minimum 40,000 and 45,000 pounds, are near or below rail incentive rates, minimum 100,000 pounds. The witness states that the irregular-route motor carriers that handle the majority of paper products in the Southwest have increased their rates approximately 15 percent during the period January 1, 1974, to June 1, 1975, as opposed to rail increases totaling approximately 30 percent or more through Ex Parte No. 313. It is the witness' judgment that the major reason for the decline in the rails' share of southwestern newsprint traffic has been the fact that truck rates have generally not increased as sharply as rail rates. One of the reasons for the substantial diversion is illustrated below by the comparative general increases that have occurred since January 1, 1974, to June 1, 1975. Schneider Transport, Inc., located in Green Bay, Wis., is one of the principal irregular-route common carriers with nationwide authority serving most of the paper industry in the Lake States.

TABLE 72

Rail Base rate 100 cents

	Percent		*Cents*
X-299-A Effective March 16, 1974	2.8	=	103
X-303-A Effective March 9, 1974	4	=	107
X-305-A Effective June 20, 1974	3.3	=	111
	10	=	122
X-310-A Effective May 27, 1975	7	=	131

Cumulative increase 31 percent

Middlewest Motor Freight Bureau
base rate 100 cents

	Percent		*Cents*
Effective January 1, 1974	1.5	=	102
Effective July 26, 1974	8	=	110
Effective October 7, 1974	2.5	=	113
Effective May 5, 1975	1.5	=	115

Cumulative increase 15 percent

Irregular-route common motor carrier
(Schneider Transport, Inc.)
base rate 100 cents

	Percent		*Cents*
Effective January 19, 1974	3	=	103
Effective February 15, 1974	4	=	107
Effective July 1, 1974	5	=	112

Cumulative increase 12 percent

Fort Howard Paper Company.—Witness Snavely states that sanitary paper shippers such as Fort Howard are making frequently greater use of irregular-route motor common carriers which specialize in paper traffic, including sanitary paper. These new carriers utilize 45-foot, "high-cube" trailers and aggressively seek sanitary paper traffic for hauls of every distance. It is claimed that some of these carriers maintain innovative rate structures, including so-called round trip rates which endeavor to secure shipper's inbound as well as outbound traffic, that their transit times invariably are superior to those of the railroads, and that the rate structures are very competitive.

Regarding Fort Howard the witness estimates its annual freight bill at about $7 million for outbound shipments of sanitary paper products; he points out that data from the "1973 Carload Waybill Statistics" indicates annual rail revenues of $78 million for sanitary paper product traffic and, accordingly, signify both that this traffic is important to the railroads and that Fort Howard is a significant shipper of this traffic.

The witness calculated that sanitary paper products had been increased an average of 14 percent at the Ex Parte No. 310 level as compared to the effective rates on January 1, 1974. When the Ex Parte No. 313 increases of 5.0 and 2.5 percent are added, it is calculated that a 23-percent increase would result. It is pointed out that with the 10-percent increases in I. and S. No. 8978, et al., the increases total about 36 percent over those as of January 1, 1974.

The witness points also to testimony and I. and S. No. 8978, et al. Therein, various shippers stated the extent of diversion: for Bay West Paper Co. at Green Bay, rail participation fell from 93 percent to 73 percent for total traffic over a 5-year period; Scott Paper Co. in Philadelphia testified that motor carriers had 31.8 percent of the traffic and motor carrier participation was increasing at an annual rate of 7 to 10 percent; and Kimberly-Clark Co. at Beach Island, S.C., alleged that truck shipments increased from 517 units in 1974 to 1,840 to 1975.

In the witness' opinion, "the loss of this profitable traffic by the railroads is accelerated by the special and general freight rate increases applied to this traffic which increases are formulated by the carriers on their false assumption and belief that light-loading papers are deficit commodities."

Kimberly-Clark.—Witness Borg for Kimberly-Clark addresses his statement to truck competition, stating that there is a substantial amount of diversion since paper distribution is highly sensitive to changes in transportation costs and service. He states that motor carrier competition is present in three forms: regular-route motor common carriers, specialized and irregular-route haulers, and private carriage. Citing greater percentage increases in rail rates than in truck rates and other factors such as 45-foot truck trailers with "greater carrying capacity" and the necessity of cleaning and preparing railcars, the witness states that truck use is on the increase.

Witness Borg also states that geographic marketing relationships change in response to disproportionate territorial freight rate adjustments and that these relationships are vital considerations both in locating new mills and in making production and distribution decisions for existing mills. The conclusion is that increasing transportation costs and long-range projection of general increases cannot help but result in an examination of alternatives, including change of modes and decentralization. However, the witness adds that despite the heavy market for paper and paper products in the eastern territory, the majority of the mill and machine shutdowns in recent years have been in that area and an overwhelming majority of expansion is in the South and West.

Eastern Canadian Newsprint Producers.—Witness Dusto refers to published motor carrier rates, minimum 84,000 pounds between two trucks on the same day at the level of rail 120,000-pound rates. He concludes that the motor carriers' rates are highly remunerative, yet can still divert traffic from rail.

Part II(A): Coordinator's Evaluation

To adequately assess the parties' data on the issue of the self-defeating nature of general rate increases three analyses have been performed. The first analysis relates total changes in production plus imports to the changes in rail traffic originations to study the carriers' ability to retain present traffic and to attract new traffic when it becomes available. The second analysis is a modal-share analysis which examines the railroads' ability to retain their share of the traffic. Finally, modal shares are reexamined as to length of haul to determine what trends, if any, may be prevalent.

Production and rail origination analysis.—The difficulty with looking only at the aggregate traffic figures is that rail tons, carloads, and revenue can be increasing while, at the same time, the carriers are losing their traditional share of the paper traffic to the other modes. This situation could occur if there were large increases in paper production in the regions such as the South and the East. For example, as the southern railroads point out, gross tons carried of paper and paper products in the South grew at a rate of 158 percent between 1958 and 1973. If the total paper produced in the South were to have grown at a rate of 200 percent, then the railroads would have actually lost their relative share of the traffic.

The following indexes contrast the commodity groups STCC 262, 263, and 264, accounting for 80 percent of all paper tonnage shipped by rail throughout the country in 1964.

To directly address the issue raised by the respondents, we have taken official notice of the "Current Industrial Reports" from the Bureau of the Census and the "Freight Commodity Statistics" published by the Commission to gain some insight into the changes in rail traffic and paper production.

TABLE 73

Tons of industrial production plus imports and total traffic originations, 1967-1974
(1967 - 100)

STCC No.	1967	1968	1969	1970	1971	1972	1973	1974
262 -------	100.0	106.9	112.7	112.8	113.7	121.4	126.7	127.3
Rail ------	100.0	105.7	113.3	112.2	107.9	113.2	120.7	130.8
263 -------	100.0	108.6	116.3	113.8	116.7	127.5	131.6	124.6
Rail ------	100.0	113.1	121.5	122.7	124.8	133.8	141.5	145.8
264 -------	100.0	107.8	115.1	116.6	123.1	131.5	140.2	145.7
Rail ------	100.0	104.3	108.4	112.3	111.1	115.0	117.5	118.7

Sources: Bureau of the Census, U.S. Department of Commerce, Freight Commodity Statistics, Interstate Commerce Commission.

This table confirms the point made by SPS and the southern railroads that the rail tonnages for paper products are increasing each year. For all the commodities groups 262, 263, and 264, the carriers increased their tonnages over the previous year and in commodity groups 262 and 263, it appears that the rail carriers have increased their share of the total paper production. Between 1967 and 1974 production for STCC 262 commodities increased 27.3 percent while rail tonnage increased 30.8 percent. For STCC 263, production increased 24.6 percent while rail tonnage increased 45.8 percent. Only commodity group 264 lost its relative rail share. Production for that commodity group grew 45.7 percent between 1967 and 1974 while the rail tonnage only grew 18.7 percent for the same time period.

Total production in the United States is only part of the picture, however. Also important are the regional production and rail shares of each region as tabulated in the following tables. One problem that should be noted when using the regional statistics is that the production totals from the "Current Industrial Reports" are incomplete due to the disclosure problems regarding individual mills. Because of this, the following indexes should be considered as indicative of growth trends in regional production rather than as an absolute measurement of this growth.

TABLE 74

Tons of industrial production plus imports and total rail originations for the Northeast 1967-1974

(1967 = 100)

	1967	1968	1969	1970	1971	1972	1973	1974
262	100.0	101.0	104.4	97.0	93.6	102.9	111.5	107.6
Rail	100.0	103.1	109.2	102.7	95.2	100.8	108.9	117.6
263	100.0	96.1	140.8	149.1	145.9	101.2	107.1	152.4
Rail	100.0	105.6	111.5	109.1	103.8	104.9	111.9	118.9
264	100.0	77.2	82.5	79.4	93.2	87.8	94.4	96.0
Rail	100.0	104.0	105.6	103.5	101.5	98.7	94.7	90.1

TABLE 75

Tons of industrial production plus imports and total rail originations for the South 1967-1974

(1967 = 100)

	1967	1968	1969	1970	1971	1972	1973	1974
262	100.0	118.2	124.5	122.2	126.7	131.5	130.1	136.2
Rail	100.0	105.9	112.6	111.9	109.9	115.0	120.2	131.4
263	100.0	108.6	121.1	119.5	125.0	134.5	134.3	129.2
Rail	100.0	118.4	127.4	125.7	128.1	139.5	149.5	153.0
264	100.0	91.8	123.3	78.7	85.8	96.4	106.6	117.9
Rail	100.0	106.8	114.2	114.0	111.7	116.2	124.2	132.9

Sources: Bureau of the Census, U.S. Department of Commerce, Freight Commodity Statistics, ICC.

TABLE 76

Tons of industrial production plus imports and total rail originations for the West 1969-1974

(1969 = 100)

	1969	1970	1971	1972	1973	1974
262	100.0	99.7	103.0	108.2	109.9	109.7
Rail	100.0	104.7	103.5	107.7	123.8	123.8
263	100.0	101.3	102.5	118.7	129.4	121.7
Rail	100.0	106.1	110.9	119.2	123.1	126.6
264	100.0	112.2	118.6	125.7	129.4	143.0
Rail	100.0	111.0	111.2	120.0	124.5	126.0

Sources: Bureau of the Census, U.S. Department of Commerce, Freight Commodity Statistics, ICC.

In the East, the railroads seem to be increasing their share of the traffic in STCC 262 commodities while losing their share of the traffic in STCC 263 and 264 commodities. Until 1974, the carriers' traffic in paper products (STCC 262) was growing at a slower rate than overall paper production, but that the rail tonnage increased tremendously for this commodity in both the East and South in late 1973 and through 1974. This rail tonnage comparison relates directly to witness Fast's statement that paper product tonnages were declining in the East. This analysis was correct except that the data extends only through 1972.

In the South, the carriers' relative share of the tonnage for STCC's 263 and 264 seems to be growing, corroborating the position of the southern carriers that the railroads' relative traffic share is growing in the South.

In the West, the railroads' tonnage shares of commodity groups 262 and 263 appears to be keeping pace with production while the relative share of commodity group 264 seems to be dropping drastically as a percent of production.

In summary, the nationwide rail tonnage movements for all the commodity groups have been increasing each year since 1967. When considering the relative share of the rail traffic, only commodity group 264 had lost its relative share in comparison to nationwide production. The regional rail tonnage indicates that the eastern railroads are losing their relative share of commodity groups 263 and 264 movements. In contrast, the southern carriers' share of these commodity groups seems to be growing. In the West, the only relative loss for the railroads was in commodity group 264.

In our view, major changes in the traffic patterns for paper and paper products began in late 1973 and continued into 1975. Unfortunately for this proceeding, there is very little current data that can be used to measure these changes. This means that many of the conclusions drawn through the analysis of data presented in the record will be predicated on relationships that may no longer exist. However, when used as a survey of the historical relationships of the freight rate structure, the data should provide useful insights.

One basic change which surfaced in the previous three tables was the sudden increase in the rail share of the STCC 262 and STCC 263 paper production in late 1973 and through 1974. While no specific evidence can be presented, it appears that the fuel shortage caused by the Arab oil embargo and the resulting fuel price increases may account for much of the railroads' sudden increase in traffic. If this is the case, then it is an open question as to whether or not this traffic is still on the rails since the supply of fuel has increased and the price has dropped from the 1974 peaks.

Modal share analysis.—Determining the modal shares for rail and truck is difficult because of a lack of reliable data. The primary source for these comparisons is the "Census of Transportation" published by the Department of Commerce. Unfortunately, the census only provides 2 years for comparison, 1967 and 1972. The following tables summarize the data for modal splits for each of the primary commodity groups.

TABLE 77

Modal shares 1967 and 1972

TERRITORY: TOTAL UNITED STATES
PERCENTAGE OF TOTAL TONS SHIPPED

		Rail	Motor	Water
262	1967	62.8	35.2	1.5
	1972	58.7	40.3	0.8
263	1967	71.3	26.9	1.7
	1972	71.9	25.9	2.2
264	1967	49.9	49.1	0.3
	1972	51.3	47.2	1.2

Source: 1967 Census of Transportation, U.S. Department of Commerce. 1972 Census of Transportation, U.S. Department of Commerce.

These data show that at least in 1972 on the national level, the railroads were losing their share of the traffic in general shipments of paper products (STCC 262) and gaining their share of the traffic in converted paper and paperboard products (STCC 264). Breaking these data up by territories confirms these basic trends.

TABLE 78

Modal shares 1967 and 1972

TERRITORY: EAST
PERCENTAGE OF TOTAL TONS SHIPPED

		Rail	Motor	Water
262	1967	55.2	44.0	0.2
	1972	51.3	47.8	0.3
263	1967	45.1	54.8	—
	1972	40.4	59.5	—
264	1967	46.8	52.5	0.3
	1972	44.8	54.8	—

Source: 1967 Census of Transportation, U.S. Department of Commerce. 1972 Census of Transportation, U.S. Department of Commerce.

In the eastern region, the major shifts are from rail to motor carrier in all commodities, especially 262 and 263 commodities. This supports the contention of witness Fast that the railroads are losing their share of the available market in official territory. However, part of Mr. Fast's argument is based on the general increases applied to rail rates through 1975 at a faster rate than the rate increases applied to competitive motor carrier rates. If this is the case, then it should be noted that the greatest rise in the rail freight rates occurred in 1974, which is not measured in this modal share analysis.

TABLE 79

Modal shares 1967 and 1972

TERRITORY: SOUTH
PERCENTAGE OF TOTAL TONS SHIPPED

		Rail	Motor	Water
262	1967	77.6	14.0	------
	1972	62.7	35.7	1.4
263	1967	76.2	20.8	2.7
	1972	83.5	13.5	2.9
264	1967	45.8	53.4	0.6
	1972	61.6	36.6	1.2

Source: 1967 Census of Transportation, U.S. Department of Commerce. 1972 Census of Transportation, U.S. Department of Commerce.

In the southern region, the only major shift of traffic shares away from rail occurs in paper products (STCC 262) commodities. The major rail-share gain of the traffic occurs in STCC 263, paperboard, fiberboard, and pulpboard and in converted paper and paperboard products, STCC 264. These data do not support the statements by witness Kimbrough that there has been widespread diversion of paper tonnage in the South, unless it began after 1972. Commodity groups STCC 263 and STCC 264 appear to be holding their share of the paper production in the southern region before and after the 1972 time period measured by the census.

TABLE 80

Modal shares 1967 and 1972

TERRITORY: WEST
PERCENTAGE OF TOTAL TONS SHIPPED

		Rail	Motor	Water
263	1967	86.5	10.8	2.7
	1972	86.2	12.6	1.1
264	1967	52.0	46.1	1.1
	1972	49.0	45.9	4.6

Source: 1967 Census of Transportation, U.S. Department of Commerce. 1972 Census of Transportation, U.S. Department of Commerce.

In the West, the only loss appears in converted paper products (STCC 264).

Length-of-haul analysis.—This analysis of modal shares would not be complete without studying the changes in the railroads' paper traffic by length of haul. SPS noted that traffic moving 500 miles or less usually moved by truck while traffic over 500 miles usually moved by rail. The following analysis is broken down by the three major commodity groups, STCC 263, 264, and 265 and selected mileage breakdowns for 1967 and 1972. Although the method of grouping distance data in the 1967 census is somewhat different from that of the 1972 census, basic trends can still be seen as evidenced in the following tables.

TABLE 81

Relative traffic share of paper tonnage by length of haul 1967 and 1972 for the eastern region

STCC 262

1967				1972			
Mileage	Rail	Truck	Other	Mileage	Rail	Truck	Other
Under 200	23.8	75.6	0.6	Under 200	20.8	75.4	3.8
200-399	56.2	43.5	0.3	200-499	47.7	52.1	0.3
400-599	73.2	25.9	0.9	500-999	69.5	30.0	0.5
600-999	82.7	17.1	0.2	1,000 and over	76.1	22.8	1.1
1,000 and over	84.7	9.8	5.5				

Source: 1967 Census of Transportation, U.S. Department of Commerce. 1972 Census of Transportation, U.S. Department of Commerce.

In the East, the data show a significant shift of traffic share, at all mileages, away from the railroads to motor carriers. On long-haul traffic, 1,000 miles and over, the railroads' share of the traffic dropped from 84.7 percent in 1967 to 76 percent in 1972. The truckers more than doubled their share of this traffic by 1972, increasing from 9.8 percent in 1967 to 22.81 percent in 1972.

TABLE 82

Relative traffic share of paper tonnage by length of haul 1967 and 1972 for the southern region

STCC 262

1967				1972			
Mileage	Rail	Truck	Other	Mileage	Rail	Truck	Other
Under 200	57.6	25.7	16.7	Under 200	42.6	57.4	0.0
200-399	89.4	10.6	0.0	200-499	52.3	44.6	3.1
400-599	83.1	16.9	0.0	500-999	71.7	25.2	3.1
600-999	78.2	7.0	14.8	1,000 and over	81.5	17.1	1.4
1,000 and over	85.4	14.6	0.0				

Source: 1967 Census of Transportation, U.S. Department of Commerce.
1972 Census of Transportation, U.S. Department of Commerce.

The table above shows the same trends for the South as was evident in the East. The short-haul traffic share, movements under 200 miles, for the railroads fell from 57.6 percent in 1967 to 42.6 percent in 1972. The railroads also lost their relative share of the traffic in all the other mileage ranges. The southern railroads' drop in the long-haul traffic was not as drastic as was the drop in the East. The relative share dropped for the southern railroads from 85.4 percent in 1967 to 81.5 percent in 1972.

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TABLE 83

Relative traffic share of paper tonnage by length of haul 1967 and 1972 for the eastern region

STCC 263

1967				1972			
Mileage	Rail	Truck	Other	Mileage	Rail	Truck	Other
Under 200	17.0	82.8	0.2	Under 200	12.7	87.3	0.0
200-399	52.4	47.6	0.0	200-499	60.0	40.0	0.0
400-599	57.5	42.5	0.0	500-999	88.1	11.7	0.2
600-999	92.1	7.9	0.0	1,000 and over	83.2	16.8	0.0
1,000 and over	97.1	2.9	0.0				

Source: 1967 Census of Transportation, U.S. Department of Commerce.
1972 Census of Transportation, U.S. Department of Commerce.

In the East between 1967 and 1972, the railroads' relative share of the traffic dropped in both the short-haul and in the long-haul shipments. It appears that all of this traffic loss has been to motor carriers. In the shipping range of 200-600 miles, the railroads' relative share of the traffic actually increased between 1967 and 1972.

TABLE 84

Relative traffic share of paper tonnage by length of haul 1967 and 1972 for the southern region

STCC 263

1967				1972			
Mileage	Rail	Truck	Other	Mileage	Rail	Truck	Other
Under 200	46.9	51.3	1.8	Under 200	54.4	40.3	5.3
200-399	71.1	34.5	5.6	200-499	83.0	16.6	0.4
400-599	90.3	9.7	0.0	500-999	92.8	6.6	0.6
600-999	87.6	4.9	7.5	1,000 and over	99.2	0.8	0.0
1,000 and over	95.6	4.4	0.0				

Source: 1967 Census of Transportation, U.S. Department of Commerce.
1972 Census of Transportation, U.S. Department of Commerce.

In the South, the rail share of paperboard traffic has been increasing between 1967 and 1972 throughout all the mileage ranges.

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TABLE 85

Relative traffic share of paper tonnage by length of haul 1967 and 1972 for the eastern region

STCC 264

1967				1972			
Mileage	Rail	Truck	Other	Mileage	Rail	Truck	Other
Under 200	26.8	72.4	0.8	Under 200	26.4	73.1	0.5
200-399	55.9	43.5	0.5	200-499	57.6	42.1	0.3
400-599	59.2	40.2	0.6	500-999	59.7	38.1	2.2
600-999	63.6	34.9	1.5	1,000 and over	67.8	29.7	2.5
1,000 and over	67.1	30.7	2.2				

Source: 1967 Census of Transportation, U.S. Department of Commerce.
1972 Census of Transportation, U.S. Department of Commerce.

The relative rail share of traffic in the East for STCC 264 commodities seemed to be stable through the 1967-1972 time period. It appears that on the medium haul, between 200 to 500 miles, the railroads actually increased their relative share of the tonnage.

TABLE 86

Relative traffic share of paper tonnage by length of haul 1967 and 1972 for the southern region

STCC 264

1967				1972			
Mileage	Rail	Truck	Other	Mileage	Rail	Truck	Other
Under 200	7.7	92.1	0.2	Under 200	26.4	73.1	0.5
200-399	48.9	51.0	0.1	200-499	57.6	42.1	0.3
400-599	47.0	52.7	0.3	500-999	59.7	38.1	2.2
600-999	60.3	38.6	1.1	1,000 and over	67.8	29.7	2.5
1,000 and over	66.2	28.9	4.9				

Source: 1967 Census of Transportation, U.S. Department of Commerce.
1972 Census of Transportation, U.S. Department of Commerce.

In the South, the rail share of the traffic has been increasing since 1967, especially in the lower mileage ranges. For the short-haul traffic, the railroads increased their share of the traffic from 7.7 percent in 1967 to 26.4 percent by 1972. There are relative increases in traffic for the railroads in all the other mileage ranges as well.

TABLE 87

Relative traffic share of paper tonnage by length of haul 1967 and 1972 for the western region

STCC 264

1967				1972			
Mileage	Rail	Truck	Other	Mileage	Rail	Truck	Other
Under 200	33.7	66.1	0.2	Under 200	14.8	74.2	11.0
200-399	15.6	84.4	0.0	200-499	45.0	55.0	0.0
400-599	72.2	27.8	0.0	500-999	81.3	18.4	0.3
600-999	76.3	23.6	0.1	1,000 and over	85.3	11.0	3.7
1,000 and over	80.2	12.3	7.5				

Source: 1967 Census of Transportation, U.S. Department of Commerce.
1972 Census of Transportation, U.S. Department of Commerce.

In the West, it appears that the railroads have gained traffic in the 200-500-mile hauls and in the hauls over 500 miles. Even in the long-haul traffic, 1,000 miles and over, the railroads have gained their relative share of the traffic from 80.2 percent in 1967 to 85.3 percent in 1972. The motor carriers seemed to be the prime losers of traffic in this territory to both the railroads and the water carriers.

The modal share breakdowns by region and commodity groups show that there is no single overall diversionary trend facing the railroads nationwide. Instead, it appears that diversion is more a function of other factors previously discussed in part I, rather than a situation aggravated solely by the overall increase in freight rates. For example, the 1967-1972 census data shows that in the East, the major modal shifts are from rail to motor carriers in all commodities while in the South the only major traffic shifts away from the railroads is in commodity group 262. The Southern carriers have gained traffic in commodity groups 263 and 264. In the West, the only loss appears in converted paper products (STCC 264).

The modal share breakdowns by commodity group and by mileage ranges (200-499 et cetera) show that there is significant rail traffic in all mileage groups beyond 200 miles, and that there is no nationwide loss of traffic at any specific mileage range that can be related directly to increases in the freight rates.

Of course, the main problem with relying on these statistics is that the major modal shifts which started in the 1974-1975 time period would not be reflected in this analysis. This also seems to be the major difference in witness Kimbrough's statement concerning widespread diversion in the South and the analysis conducted by SPS which claims freight rate increases have not driven traffic off the rails; both of these analyses are looking at different time periods. Unfortunately, for the most important period, which as mentioned above was between 1974-1975, no direct data are available except what has been submitted by the respondents.

The data discussed above, then, indicates that while the railroads are gaining tonnage and revenues, it is unclear as to the extent that additional tonnage (and revenues) are being lost, if at all, through intermodal competition. The 1967 and 1972 modal shares indicate that for STCC 262 the East and the South lost traffic while the West remained stable; for STCC 263 the East lost traffic, the West remained stable, and the South gained; and for STCC 264, the East and West lost while the South gained. The danger, however, in using only two points of reference in the above analysis is that one trend might be detected, when, in fact, another may be occurring. Likewise, length-of-haul data show mixed results, with the railroads in some instances losing short-haul traffic to trucks and in other instances gaining.

The second length-of-haul analysis uses data from the "Carload Waybill Statistics," Department of Transportation, and examines the average length of haul per railcar by commodity.

For paper, except building paper, the average length of haul has remained fairly constant in all territories since 1969.

TABLE 88

Average length of haul per car for commodity group 262

1969-1974

Territory	1969	1972	1973	1974
Official to:				
Official	587	594	604	576
Southern	946	977	966	985
WTL	973	1,112	1,004	1,168
Southern to:				
Southern	404	432	403	436
Official	862	846	860	813
Southwestern	832	801	812	831

Average length of haul per car for commodity group 262—Continued

1969-1974

Territory	1969	1972	1973	1974
WTL to:				
WTL	370	377	399	403
Official	746	731	777	839
Southwestern to:				
Southwestern	386	409	417	368
Official	1,297	1,196	1,296	1,160
Southern	753	684	762	727
Transcontinental to:				
Transcontinental	880	929	944	963

Source: Carload Waybill Statistics, U.S. Department of Transportation.

The length of haul for traffic originating in official territory increased between 1969 and 1974 while that from southern origins to other territories remained relatively stable. The exception here is in the intrasouthern movements which fluctuated since 1969. Movements from western trunkline territory have also increased in distance since 1969 as have those from transcontinental territory. Movements from the southwest to official and southern territory seemed to fluctuate while between 1973 and 1974, the average length of haul per car in southwestern territory dropped drastically.

The next table examines the average length of haul for paperboard (STCC 263).

TABLE 89

Average length of haul per car for commodity group 263

1969-1974

Territory	1969	1972	1973	1974
Official to:				
Official	386	378	381	366
Southern	692	689	749	786
Southern to:				
Southern	386	373	361	369
Official	846	831	830	844
Southwestern	831	811	754	829
WTL to:				
WTL	275	348	349	311
Official	667	654	629	737
Southwestern to:				
Southwestern	384	378	386	365
Southern	548	606	713	682
WTL	893	851	849	855
Transcontinental to:				
Transcontinental	728	681	728	745

Source: Carload Waybill Statistics, U.S. Department of Transportation.

In official territory the average length of haul for intraterritorial movements was relatively constant until 1974 when it fell drastically. The length of haul on shipments into southern territory has grown since 1969 but has remained relatively constant on shipments within and from this territory. Shipments originating in western trunkline territory for destinations within the territory grew in distance traveled until 1973, and then decreased through 1974. Shipments with destinations into official territory during this time period increased in average length from 667 to 737 miles. The intraterritorial shipments from southwestern territory decreased from 384 miles to 365 miles. From southwest to the south average distance of movements increased while those into western trunkline territory dropped to 855 from the 1969 level of 893. The average length of haul for intraterritorial shipments in transcontinental territory increased from 728 miles to 745 miles.

The average length of haul for converted paper and paperboard products, STCC 264, is displayed as follows.

TABLE 90

Average length of haul per car for commodity group 264

1969-1974

Territory	1969	1972	1973	1974
Official to:				
Official	332	387	369	379
Southern	856	868	905	913
Southern to:				
Southern	419	445	441	442
Official	914	940	913	918
WTL to:				
WTL	458	478	460	483
Southwestern	1,069	1,071	1,086	1,075
Southwestern to:				
Southwestern	499	476	447	449
WTL	865	880	871	842
Transcontinental to:				
Transcontinental	660	757	814	777

Source: Carload Waybill Statistics, U.S. Department of Transportation.

In movements from official territory, the average length of haul grew between 1969 and 1972 and then remained relatively constant. At the same time, the shipments into southern territory grew from an average of 856 miles to 913 miles in 1974. The shipments from and within southern territory appear stable.

Rail traffic flow analysis.—Another measurement that has the potential for showing disparate effects between territories is an analysis of rail traffic flows within and between territories. If the uneven application of the general increases is causing distortions in the rate structure in favor of the South, then we would expect to see significant changes in traffic flows between the affected territories from 1969 to 1974.

To analyze the rail traffic flows within and between territories, we used the 1-percent waybill sample from DOT for the years 1969, 1972, 1973, and 1974 and assumed that this sample was representative of paper movements nationwide. The tables that follow show the percentages of total tons moved by rail from the designated territories. In most cases, for the sake of clarity, only major traffic movements were highlighted. This analysis is helpful because it gives a clear picture of the intrarail traffic shifts over a 5-year period and because the 1974 waybill sample is fairly current. The important point to remember is that the dramatic changes in the rail freight movements of paper products began to occur in 1974 and 1975 and, at this time, the 1974 waybill sample is the most current traffic flow data available. When the 1975 waybill sample is completed, it would be beneficial to continue this analysis to conform or reject the fundamental market changes which began to develop in late 1973 and 1974.

Again, this analysis is broken down into three major commodity groups, paper products (STCC 262), paperboard, fiberboard, and pulpboard except insulating board (STCC 263) and converted paperboard products, except containers (STCC 264).

(1) *Paper products (STCC 262).*—The following table of the percentage of total rail tons shipped from the major freight territories indicates the relative importance of each territory as an originator of rail paper products traffic.

TABLE 91

Percentage of total rail tons shipped from all territories

	1969	1972	1973	1974
Official	49.90	46.66	45.58	39.38
Southern	15.40	18.43	18.74	24.01
WTL	12.01	11.36	12.22	14.25
Southwestern	9.93	10.35	11.64	10.33
Transcontinental	12.72	13.20	11.82	12.04

Source: Carload Waybill Statistics, U.S Department of Transportation.

Official territory was the region with the most rail originations, followed by the South which has been increasing its market share since 1969. For example, in 1969 the South only originated 15 percent of all rail paper tonnage while 50 percent of the rail tonnage began in the East. By 1974 the southern railroads were originating 24 percent of all paper tonnage while the eastern railroads share of the tonnage had declined to 39 percent of the total.

One problem with the use of traffic flow analysis is that there are many factors that can influence rail traffic flows besides disparities in the rate structure. The declines in official territory's rail share of originated tonnage highlights some of these factors facing rail movements throughout the East.

Certainly some of this loss can be attributed to the condition of the bankrupt railroads. The relationship seems rather clear that as rail service has deteriorated, the percentage of traffic loss grows greater. This percentage drop in railroads' relative traffic comes at a time of increasing overall production in the East.

There are several other factors that would account for this relative loss in official territory's paper traffic. One factor has to be that the raw materials for the finished paper products, pulpwood and woodchips, is not economical to transport over long distances. Also, this raw material is processed efficiently in large plants with access to adequate supplies of wood over long periods of time. Finally, the cheaper grades of paper can be efficiently produced in integrated plants where economies of scale outweigh higher transportation costs of finished paper. These factors affect the mills in official territory because many were built during the first part of the century when local wood supplies were adequate. As the timber supplies were reduced, pulp mills in the northeast and north central regions were forced to close down. Many of those mills that did not close down are located in forested or formerly forested areas and are poorly situated for the necessary raw material shipments from other regions or from Canada.

At this time, the northern mills are heavily commited to writing, printing, and sanitary paper production. Although in the past these products have kept mills in production, it appears that any necessity for large capital outlays, such as those required by new pollution control regulations, would likely force shutdowns due to the high cost of money and uncertain rate of return from these plant facilities.

The next table is a compilation of the major rail traffic flows between territories from 1969 to 1974. For commodity group 262, none of the traffic flows between the rate territories exhibited an increase in intraterritorial shipping at the expense of interterritorial movements, up until 1973, as would be expected from the statements made by Mr. Kreckman. However, between 1973 and 1974 this situation changed between traffic flows from and to the East and the Southwest from the South. For example, the net traffic flows between the South and East shifted for the first time in favor of the South in 1974 when the South shipped an extra 6,330 tons into the East. The intraofficial shipments also increased slightly over the previous years. The same situation occurred between shipments from southern territory to southwest territory.

TABLE 92

Rail traffic flows from and to designated territories for commodity group 262 1969-1974 in tons

	1969	1972	1973	1974
Official territory shipments				
Shipments within official	41,888	33,999	34,657	36,522
to southern	9,941	12,060	9,773	3,817
from southern	4,845	4,080	5,583	10,147
Net flows to southern	5,096	7,980	4,190	-6,330
Shipments to WTL	4,016	3,779	5,013	2,394
from WTL	2,992	1,944	2,367	4,755
Net flows to WTL	1,024	1,835	2,646	-2,361
Southern territory shipments				
Shipments within southern	11,292	13,045	12,182	11,739
to official	4,845	4,080	5,583	10,147
from official	9,941	12,060	9,773	3,817
Net flows to southwestern	-5,096	-7,980	-4,190	6,330
Shipments to southwestern	1,722	2,611	2,553	4,211
from southwestern	3,464	3,435	4,415	1,795
Net flows to southwestern	-1,742	-824	-1,862	2,416
Shipments to WTL	566	1,110	927	694
from WTL	408	575	712	1,017
Net flows to WTL	158	535	215	-323
WTL territory shipments				
Shipments within WTL	7,926	8,332	8,219	8,310
to official	2,992	1,944	2,367	4,755
from official	4,016	3,779	5,013	2,394
Net flows to official	-1,024	-1,835	-2,646	2,361
Shipments to southern	408	575	712	1,017
from southern	566	1,110	927	694

Rail traffic flows from and to designated territories for commodity group 262 1969-1974 in tons—Continued

	1969	1972	1973	1974
***WTL territory shipments*—Continued**				
Net flows to southern	-158	-535	-215	323
Shipments to southwestern	1,917	1,394	1,696	1,267
from southwestern	1,218	884	941	1,542
Net flows to southwestern	699	510	755	-275
Southwestern territory shipments				
Shipments within southwestern	5,377	5,712	6,050	5,600
Shipments to official	1,463	1,173	1,359	2,132
from official	3,148	2,881	2,171	1,443
Net flows to official	-1,685	-1,708	-812	689
Shipments to southern	3,464	3,435	4,415	1,795
from southern	1,722	2,611	2,553	4,211
Net flows to southern	1,742	824	1,862	-2,416
Shipments to WTL	1,218	884	941	1,542
from WTL	1,917	1,394	1,696	1,267
Net flows to WTL	-699	-510	-755	275
Transcontinental territory shipments				
Shipments within transcontinental	10,870	12,176	11,003	11,428
Shipments to official	1,949	1,355	1,243	576
from official	720	970	769	893
Net flows to official	1,229	385	474	-317
Shipments to WTL	1,306	830	596	844
from WTL	1,168	821	1,052	962
Net flows to WTL	138	9	-456	-118

Source: Carload Waybill Statistics, U.S. Department of Transportation.

These traffic shifts are apparently due to extraneous market factors rather than caused by distortions inherent in the rate structure. For example, commodity group 262 production in the East, shows a drop in paper production in the territory during 1974. During the same time period, production increased about 6.1 percent in the South. The increase in intraofficial traffic flows would be expected because in 1974 the railroads increased their share of paper traffic in the East while the production was dropping. The southern carriers were also increasing their paper tonnage during 1974. Thus, it does not appear that the traffic flow changes between the South and the East can be directly attributed to the possible disparities between territorial rate levels.

The data highlight the importance of 1974 as far as rail traffic flows are concerned. Besides the changes in the traffic flows between southern, official, and southwest territories, WTL territory had a positive net flow into official territory for the first time, while the southern and southwestern territories had their first positive net traffic flow into WTL. Because of the number of basic changes in these rail traffic flows, it would be extremely helpful to have the 1975 waybill data to confirm whether these flows are just a 1-year distortion or if the flows are the beginning of a long-term change in the traditional traffic shares between territories. Nevertheless, at this point the analysis shows no clear relationship between rate level disparities and changes in rail traffic movements.

(2) *Pulpboard (STCC 263).*—The next major commodity group is paperboard, fiberboard, and pulpboard (except insulating board). Official territory is the predominant producer, shipping 52 percent of all tonnage in 1969. As was evident for traffic flows in 262, the relative share of the total tons of paperboard, fiberboard, and pulpboard for the official territory shippers is dropping. In 1969, the territory's share was 52 percent and by 1974 this had dropped to 47 percent. This slippage has been gradual; it will take another year's figures (1975) to see if an increasing or decreasing trend is developing for official territory's tonnage share. One territory that is increasing its market share is the WTL territory. Since 1969 WTL has increased its share of shipments from 8.45 percent in 1969 to 11.34 percent in 1974.

TABLE 93

Percentage of total tons shipped from territory

	1969	1972	1973	1974
Official	52.10	50.06	46.60	47.08
Southern	17.82	19.63	19.43	18.49
WTL	8.45	9.23	9.93	11.34
Southwestern	9.10	9.69	10.80	9.33
Transcontinental	12.53	11.39	13.24	13.65

Source: Carload Waybill Statistics, U.S. Department of Transportation.

Many of the characteristics of paperboard production are similar to those for paper and paper products, which may account for the gradual drop in the relative share of shipments from official territory. These conditions, notably a high proportion of production generated by integrated mills, and poor railroad service along with he growing importance of the South in terms of shares of total paper production, are accelerating the declining importance of the eastern regions in paperboard traffic. However, the decline of the East for this commodity has been more gradual than it was for paper products.

This may be explained by the fact that containerboard, used in making corrugated shipping containers, makes up the largest segment of the paperboard industry. As the SPS states in their opening statement, "an estimated 85 percent of all containerboard is converted in the plants in which the board is produced or else is converted in another plant owned by the company." The final market products, boxes, and shipping containers of various kinds and sizes, are of extremely low density and must be produced to the specification of the customers. Thus, most paperboard is shipped to box plants located near the final markets and then made into boxes and containers. Since the Northeast is one of the major consumers of these products, the northern paper companies have an incentive to keep mills in production as long as output can be sold in the marketplace. Finally, these container and box plants are strongly market oriented and are usually shipped relatively short distances. We would expect higher freight rates to have the effect of shrinking the average length of haul for these products as the price of the final product becomes noncompetitive at the distant markets.

Surprisingly, even though the aggregate traffic flows show official territory losing its share of total rail shipments of STCC 263, the traffic flows between territories displayed in the following table show that the relative share of shipments has been very stable from that territory. On the other hand, the shipments from the South into official territory has been dropping off.

TABLE 94

Rail traffic flows from and to designated territories for commodity group 263 1969-1974 in tons

	1969	1972	1973	1974
Official territory shipments				
Shipments within official	19,395	18,269	18,148	19,270
to southern	52,345	53,625	53,357	50,443
from southern	2,339	2,161	2,115	1,299
Net flows to southern	50,006	51,464	51,242	49,144
Shipments to southwestern	7,427	8,872	7,629	7,309
from southwestern	682	538	431	426
Net flows to southwestern	6,745	8,334	7,198	6,883

Rail traffic flows from and to designated territories for commodity group 263 1969-1974 in tons—Continued

	1969	1972	1973	1974
Southern territory shipments				
Shipments within southern	23,091	28,316	28,887	27,298
to official	2,339	2,161	2,115	1,299
from official	52,345	53,625	53,357	50,443
Net flows to official	-50,000	-51,464	-51,242	-49,144
Shipments to southwestern	2,295	2,231	2,638	2,100
from southwestern	5,462	6,654	6,623	5,411
Net flows to southwestern	-3,167	-4,423	-3,985	-3,311
WTL territory shipments				
Shipments within WTL	3,134	2,814	3,471	3,776
to southern	1,477	1,855	2,165	1,629
from southern	0	0	0	0
Net flows to southern	1,477	1,855	2,165	1,629
Shipments to southwestern	3,565	4,783	5,389	7,067
from southwestern	608	382	415	426
Net flows to southwestern	2,957	4,401	4,974	6,641
Shipments to transcontinental	4,245	5,102	5,050	5,315
from transcontinental	237	226	279	337
Net flows to transcontinental	4,019	4,876	4,771	4,978
Southwestern territory shipments				
Shipments within southwestern	6,822	7,786	10,843	8,891
to southern	5,462	6,654	6,623	5,411
from southern	2,295	2,231	2,638	2,100
Net flows to southern	3,167	4,423	3,985	3,311
Transcontinental territory shipments				
Shipments within transcontinental	16,142	16,546	20,579	19,504
to southwestern	1,815	1,651	1,190	1,866
from southwestern	587	796	398	524
Net flows to southwestern	1,228	855	792	1,342
Shipments to southern	1,182	381	686	748
from southern	0	0	0	0
Net flows to southern	1,182	81	686	748

Source: Carload Waybill Statistics, U.S. Department of Transportation.

Another trend which can be discerned from the data is that the South is becoming more self-sufficient in its shipments of commodity group 263 and is receiving less tonnage from other territories. Losses in relative traffic shares have occurred from WTL and southwestern territories to the South. This trend is also occurring in WTL territory which is increasing its own territorial share at the expense of official and southwestern territories.

To place the high percentage of interterritorial shipments in perspective, these commodities—paperboard, fiberboard, and pulpboard—are used literally everywhere and, therefore, produced in all territories with some regional specialization in converted paperboard products. The largest consumer of commodity group 263 from other territories is southern territory with 52 percent of interterritory paperboard, fiberboard, et cetera, in 1974.

In conclusion, there has apparently been no rail traffic disruptions for the pulpboard commodity group (STCC 263) due to disparities within the railroad freight rate structure.

(3) *Converted paper and paperboard (STCC 264).*—In analyzing the last major commodity group, converted paper and paperboard products except containers and boxes, the aggregate traffic flows from the territories show that official territory is the largest shipper of these commodities, followed by transcontinental, western trunkline, and southwestern territories.

TABLE 95

Percentage of total tons shipped from territories

	1969	1972	1973	1974
Official	51.28	49.13	49.33	37.56
Southern	16.78	16.77	17.34	27.21
WTL	9.58	10.12	9.21	10.01
Transcontinental	12.20	11.78	12.43	14.84

Source: Carload Waybill Statistics, U.S. Department of Transportation.

The trends that are evident from this table show that official territory is losing its relative share of rail movements, primarily to the South.

The overall traffic trends for this commodity are remarkably similar to the trends for commodity group 262. The Northeast is declining in its share of rail shipments at the same time that the South is increasing its dominance for the shipments of these commodities. As far as transportation and marketing characteristics are concerned, most converted products are comparable to the previously discussed paperboard mill products in distances of shipment, values of shipments, and regional distributions. Much of this paper is converted at the mill by the paper manufacturer, but a substantial number of independent converters buy the paper stock and manufacture bags, sacks, and other converted products. The primary consuming areas for these products are the large population centers.

TABLE 96

Rail traffic flows from and to designated territories for commodity group 264

1969-1974

	1969	1972	1973	1974
Official territory shipments				
Shipments within official	19,134	17,819	18,402	15,401
to southern	5,352	6,359	6,171	2,743
from southern	2,767	3,088	2,858	6,159
Net flows to southern	2,585	3,271	3,313	-3,416
Shipments to WTL	595	296	549	320
from WTL	501	644	539	660
Net flows to WTL	94	-348	10	-340
Shipments to southwestern	1,224	987	1,261	250
from southwestern	384	362	346	830
Net flows to southwestern	840	625	915	-580
Southern territory shipments				
Shipments within southern	5,402	4,438	5,299	5,296
to official	2,767	3,088	2,858	6,159
from official	5,352	6,359	6,171	2,743
Net flows to official	-2,585	-3,271	-3,313	3,416
Shipments to southwestern	505	1,009	1,039	1,899
from southwestern	1,535	1,589	1,810	611
Net flows to southwestern	-1,030	-580	-771	1,288
WTL territory shipments				
Shipments within WTL	2,480	2,581	2,449	2,864
Shipments to southwestern	1,004	731	813	1,064
from southwestern	923	1,173	1,068	1,146
Net flows to southwestern	81	-442	-255	-82
Southwestern territory shipments				
Shipments within southwestern	2,058	2,692	2,569	2,604
Shipments to southern	1,535	1,589	1,810	611
from southern	505	1,009	1,039	1,899
Net flows to southern	1,030	580	771	-1,288

Rail traffic flows from and to designated territories for commodity group 264—Continued

1969-1974—Continued

	1969	1972	1973	1974
Southwestern territry shipments—Con.				
Shipments to WTL	923	1,173	1,068	1,146
from WTL	1,004	731	813	1,064
Net flows to WTL	-81	442	255	82
Transcontinental territory shipments				
Shipments within transcontinental	4,506	5,105	5,451	6,422

Source: Carload Waybill Statistics, U.S. Department of Transportation.

The breakdown above of rail tonnage movements shows the same type of traffic characteristics as was evident for commodity group 262. In 1974, for the first time, the South increased its net traffic flow into official territory and southwestern territory while WTL territory increased traffic tonnage into official territory. This is another instance where it would be helpful to have the data from the 1975 waybill sample to confirm or reject these traffic flow trends.

This traffic flow analysis does not support Mr. Kreckman's contention that the interterritorial rate relationships set by the destination level theory of ratemaking are deteriorating. If these relationships were deteriorating, then we would expect to see large increases in the intraterritorial traffic flows at the expense of the interterritorial traffic flows. The changes highlighted by the tables for all three commodity groups show that the predominant trends are shifting interterritorial rail traffic flows, such as the reversal in net flows from the South to the East. Therefore, we can state that the application of general increases by territory and by commodity is definitely not building protective intraterritorial fences to retard the movement of paper and paper products.

The statement made by Kimberly-Clark is more difficult to either confirm or reject, but their statement that the geographic marketing relationships change with unequal rate increases by territory has been somewhat supported by the current trends in traffic flows as portrayed by the waybill samples.

Summary of rail traffic flow analysis.—Between 1969 and 1973 the predominant net traffic flows between territories remained relatively stable. Between 1973 and 1974 many of the major traffic flows shifted, primarily in favor of southern origins. Part of this shift is due to the increasing production capacity in the South and Southwest and part is due to increases in paper product consumption in the East. Thus, the issue as to what extent that disparities and distortions in the rate structure have caused these changes cannot easily be verified. The primary problem here is that no one has determined the sensitivity of the geographic marketing relationships to the changes in freight rates. There are many other, and probably more important, factors that would have an effect on market changes. Finally, the possibility that the traffic flows in the 1974 waybill sample are not representative of the long-term trends in rail paper shipments should be acknowledged. Once the 1975 waybill sample is available, then it should be possible to confirm or reject the trends that developed in the 1974 sample.

It is pointed out by various shippers that since 1974, the railroads have taken large increases, yet the indexes as developed indicate that in 1974 the railroads had, in many instances, gained a large share of the production increases since 1967. But, as previously noted, these gains may or may not be attributable to the oil embargo. Also clouding the data has been the deterioration and bankruptcy of various railroads, presenting questions regarding the extent that service considerations prevail in selecting a transportation mode. Because the above data neither confirms nor refutes that general rate increases have resulted in traffic losses, the Coordinator concludes that the evidence of record does not justify a finding that the general rate increases are self-defeating.

Newsprint.—The Eastern Canadian Newsprint Producers (ECNP) describe and contrast the rate structues available to the Canadian producers and the U.S. producers. Their allegations that the rate structures favor the southern and southwestern mills has been considered previously in discussing the *Anglo-Canadian Pulp and Paper Mills, supra.* These producers, however, also point to 1974 figures that shows the percentage of transportation mode as follows: rail—75.8 percent; truck—11.5 percent; and water—12.7 percent. They state that these figures do not reflect the impact of truck rates published in the fall of 1974 for movements of 84,000 pounds in two vehicles from one consignor to one consignee in 1 day. These motor carrier rates are below the basic rail 40/65,000-pound level.

Witness Glenn for API contrasts the general increases for the Southwest and the South. He concludes that rail participation has declined from 81 percent of production in 1965 to 52 percent in

1973. During this same period, private and for-hire trucking increased from 14.1 percent to 47.7 percent.

The major problem with attempting to draw insights into the diversion issue is the lack of current data on modal splits of newsprint traffic. Most of the data are dated before the 1974 period, when most of the major traffic diversions began to take place. Thus, the best that can be done under these circumstances is an empirical overview of what was presented by the parties.

The ECNP presented data from 1963 to 1972 which showed the railroads steadily increasing their share of the market from 71.4 percent of all shipments to 80.5 percent. The motor carriers also increased their share of traffic, while the water carriers lost their share.

A different picture emerges, using these data, if the aggregate growth of total tons for each mode is considered. The rail carriers aggregate traffic grew by 38.4 percent while motor carriers' traffic grew by 93.4 percent and the water carrier traffic decreased by 283 percent. These figures illustrate the fact that the rail tonnage share of the market has been growing since 1972; however, this share is not increasing as fast as the motor carriers' share of the traffic or decreasing as fast as the water carriers' share.

In considering the issues raised concerning diversion on newsprint traffic in the Southwest, it is impossible for us to measure the diversion claimed or for us to ascertain if diversion is a direct cause of rate levels that are too high. Certainly if the traffic data for the selected newspaper mills is representative of the total mills in that territory, then diversion is occurring at tremendous rates in the Southwest. Unfortunately, there are no published data of newsprint production in the Southwest. The Bureau of the Census published production data for the total United States, which when compared with rail shipments of newsprint, can give some insight into nationwide trends.

TABLE 97

Index of production and railroad tonnages for the United States 1966-1974

(1966-100)

	1966	1969	1972	1973	1974
U.S. newsprint production	100.0	107.6	113.0	116.4	114.3
Railroad movements	100.0	130.2	129.0	120.7	113.3

Sources: Bureau of the Census, U.S. Department of Commerce.
Freight Commodity Statistics, Interstate Commerce Commission.

The aggregate data on newsprint movements throughout the United States show that newsprint rail tonnage has not kept pace with the increase in production. The data also suggest that the railroads increased their newspaper tonnage between 1966 and 1972 and then lost their relative share of the market between 1972 and 1974.

TABLE 98

Index of rail newspaper tonnage in the South 1966-1974

	1966	1969	1972	1973	1974
Newspaper tonnage originated in the South	100.0	126.4	117.1	112.7	106.0

Source: Freight Commodity Statistics, Interstate Commerce Commission.

The movement of newsprint tonnage by rail in the South indicates that the southern shipments have been following the nationwide trends for this commodity. The major difference is that, on a relative-share basis, the southern carriers loss of traffic has been more severe than nationwide. This data does support the contention that newsprint rail traffic is declining. However, it is doubtful that rail general increases are the direct cause. For example, beteween 1966 and 1969, newsprint tonnage increased 26 percent while rail freight rates increased 8 percent. Between 1969 and 1972 the rail tonnage decreased 8 percent while freight rates increased 22 percent. Finally, between 1972 and 1974, freight rates increased 25.8 percent and rail traffic declined 10.5 percent.

We conclude that this data shows that diversion is occurring in the South and the Southwest on newsprint. The diversionary trend seems to have begun after 1969 and has accelerated every year since. However, we do not believe the diversion has been primarily caused by the increasing level of freight rates in these territories.

PART III

DISPARITIES AND DISTORTIONS CAUSED BY GENERAL INCREASES

The Coordinator's order required evidence from any party relating to rate changes effectuated by general rate increases for the issue commodities, beginning with Ex Parte No. 256, which may have resulted in disparities or distortions between competing shipper and/or localities. This evidence was to be accompanied by formulas upon which the freight rates on paper and paper products are based and by complete tariff references for all rates shown. This evidence was to specify any reason, if known, for such disparities and distortions.

With the exception of the Eastern Canadian Newsprint Producers, discussed in part I, the parties have either taken the position that the rate structures for paper and paper products contains no disparities or distortions of any consequence or expressed no opinion on the matter.

From the evidence of record, it can be said that the application of general increases since Ex Parte No. 256 have not caused significant disparities or distortions in the historical basis. The application of the increases, particularly those which were granted on a strict percentage basis, have clearly caused changes. However, as pointed out by many shippers, the railroads, shippers, and receivers have resolved, through section 5a procedures, many of the problems arising from the various general increases.

Accordingly, the Coordinator concludes that the evidence of record does not support a conclusion that the general rate increases have caused significant disparities or distortions in the rate structure for paper and paper products.

PART IV

UNEVEN EFFECTS OF INCREASES ON INDIVIDUAL RAILROADS

The Coordinator's call for evidence in this proceeding also provided the parties the opportunity to present evidence designed to show the uneven revenue effects (if any) of general rate increases on freight rates on paper and paper products on individual railroads, why these results may have occurred and what corrective acton should be taken to remedy these effects.

On this record, no uneven effects have been demonstrated to have resulted from the approval and application of general freight rate increases.

PART V

RAILROAD SERVICE

The Coordinator's order asked the parties to submit any evidence bearing on the issue of whether general increases have provided sufficient revenues to induce the railroads to undertake improvements in service to meet the requirements of shippers of paper and paper products; and whether the railroads, in requesting general freight rate increases, have taken into account possible variations in services being provided shippers.

At the time the Coordinator issued the May 9, 1975, order the Commission already had instituted a proceeding in Ex Parte No. 270 (Sub-No. 2), *Investigation of Railroad Freight Service*, 345 I.C.C. 1223 (1976). It was not intended that part V of this investigation into the freight rate structure on paper be duplicative of the more comprehensive service investigation in Ex Parte No. 270 (Sub-No. 2). It was the Coordinator's purpose to give shippers of paper and paper products and other interested parties an opportunity in this proceeding to express their view in connection with freight service on paper within the framework of the issues presented.

The only complaint voiced by one shipper was that unequipped cars sometimes require cleaning and rehabilitation before they can be used. This shipper also states that the nonequipped boxcar fleet is diminishing, although it is being upgraded. However, as pointed out by various railroads, their equipped boxcar fleet has been expanding. In the absence of other complaints in this proceeding regarding railroad service, we find that the general rate increases as approved and applied have properly taken into account the type and extent of service provided to the shippers of paper and paper products.

PART VI

MATTERS NOT OTHERWISE LISTED

In the event that the parties desired to raise issues germane to this proceeding that would not fall within the categories of parts I through V, the Coordinator offered the opportunity to present evidence under Part VI, Matters Not Otherwise Listed. Such evidence was to specifically indicate the purpose for which it was being introduced and the reason it does not come within one of the foregoing categories. Additionally, the principal focus of the investigation, as set forth in the report of the Coordinator at 345 I.C.C. 1, was to be kept in mind.

Some of the railroads in southern territory are concerned with the delays experienced in the approval of intrastate rate increases. These delays are considered significant for two reasons: first, they cause significant revenue losses; and second, they create a time period in which intrastate shippers have a competitive advantage over interstate shippers.

This problem was discussed in *Investigation of Railroad Frt. Rate Structure,* 345 I.C.C. 867, 1195 (1976). No recommendation was made in this regard because section 13(4) was considered an appropriate vehicle to bring the need for individual rate increases to the Commission's attention. Although since that time, section 13(4) has been modified by the Railroad Revitalization and Regulatory Reform Act of 1976, effective February 5, 1976, section 13(4) as amended still remains an appropriate means for the carriers to bring this matter to the attention of the Commission.

The National Environmental Policy Act of 1969, 42 U.S.C. §4321 *et seq.,* requires Federal agencies to consider environmental amenities in their decisionmaking process and directs that detailed environmental impact statements be issued in conjunction with major Federal actions significantly affecting the quality of our human environment.

In our order instituting this subnumbered proceeding, we concluded that a detailed environmental impact statement was not required at this time by the National Environmental Policy Act of 1969. We stated that the environmental issues in this proceeding would be constantly evaluated with the view to determining whether an impact statement should be issued and if so, at what point it would be the most meaningful.

The principal purpose of the subnumbered investigation is educational in nature; i.e., to describe in detail the freight rate structure for paper and paper products and to pinpoint those areas which may require corrective action. An environmental impact statement drafted before the details of the rate structure were set forth would have been premature and meaningless.

By notice dated April 9, 1974, the Coordinator solicited environmental views of interested persons and, by order of May 9, 1975, responded to these statements from the parties. It was concluded that the instant proceeding addresses solely the outbound movement of paper and paper products and does not look back in the productive process to consider the resources needed to manufacture paper and related products. While a potential incentive to the movement and utilization of recyclable (or waste) paper may have definitive environmental advantages over virgin woodpulp, these concerns are not at issue in the subnumbered investigation. Further, because of the nature of this proceeding, it does not represent a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969. Finally, it was stated that should environmental issues be raised during the course of this proceeding, such issues would be considered by the Coordinator.

Additional environmental issues were not raised by the parties in their further submissions. Since we do not perceive of any environmental issues engendered by this proceeding, the Coordinator concludes that an environmental statement is not required.

PART VII

ULTIMATE FINDINGS

The Coordinator finds:

1. That the overall freight rate structure on paper and paper products is compensatory and not unreasonably high, but that some rates fall below variable costs;
2. That the impact of general freight rate increases applied to the transportation of paper and paper products has not been self-defeating but has been necessary in generating additional revenue to pay for increased costs;
3. That the application of general increases authorized by the Commission has not caused any substantial distortions in the freight rate structure;
4. That the impacts of general freight rate increases on paper and paper products have not had an uneven effect in meeting the revenue requirements of individual railroads;
5. That the general freight increases sought by the railroads and authorized by the Commission have for the most part been for the purpose of offsetting higher prices of materials and supplies and increased wage costs;
6. That this report does not constitute a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969.

It is ordered, That this subnumbered proceeding be, and it is hereby, closed.

APPENDIX A

TABLE 99

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ACTUAL WEIGHT GROUP: 1 TO 20000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% - RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
425	BLAWNOX	PA	INDPLS	IN	20000	0	83.95	8.40	35.68	29.19	31.08	37.29	35.91	122	114	95	99

TABLE 100

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% - RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
249	BLAWNOX	PA	CINCINNATI	OH	36000	0	124.36	6.91	17.20	16.07	17.58	19.57	19.77	107	97	87	87
386	BLAWNOX	PA	INDIANAPOLIS	IN	36000	36000	91.48	5.08	19.60	16.26	18.00	20.41	19.97	120	108	96	98
502	CARTHAGE	NY	DETROIT	MI	32000	36000	77.45	4.30	21.60	21.07	25.35	26.68	25.92	102	92	80	83
505	CARTHAGE	NY	DETROIT	MI	32000	0	76.99	4.81	24.30	23.59	25.80	29.86	28.93	103	94	81	84

TABLE 101

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% - RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
156	CHILLICOTHE	OH	CINCINNATI	OH	50000	50000	141.03	5.64	8.80	8.67	9.73	10.20	10.66	101	90	85	82
266	CHILLICOTHE	OH	LOUISVILLE	KY	54000	50000	121.80	4.51	12.00	10.02	11.44	12.27	12.47	119	104	97	96
303	CHILLICOTHE	OH	LOUISVILLE	KY	54000	50000	106.93	3.96	12.00	11.88	13.56	14.52	14.62	100	88	82	82
502	CARTHAGE	NY	DETROIT	MI	54000	0	106.49	3.94	19.80	14.73	17.03	18.47	18.12	134	116	107	109
505	CARTHAGE	NY	DETROIT	MI	54000	0	105.86	3.92	19.80	14.77	17.06	18.53	18.17	134	116	106	108
667	CHILLICOTHE	OH	ALBANY	NY	56000	50000	100.75	3.60	24.00	16.57	19.35	21.06	20.38	144	124	113	117
668	CHILLICOTHE	OH	ALBANY	NY	56000	50000	100.60	3.59	24.00	16.58	19.37	21.08	20.40	144	123	113	117
757	KALAMAZOO	MI	BALTIMORE	MD	58000	0	103.69	3.55	26.20	17.03	20.03	21.73	20.95	153	130	120	125
766	KALAMAZOO	MI	BALTIMORE	MD	56000	50000	99.19	3.42	26.20	17.42	20.51	22.27	21.44	150	127	117	122
1505	MADAWASKA	ME	CHARLOTTE	NC	54000	0	64.58	2.39	36.00	37.87	45.37	50.50	48.09	95	79	71	74

TABLE XXI

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
267	GILMANBO	VT	ALBANY	NY	68000	0	188.39	5.54	14.79	10.55	12.75	13.28	13.56	140	116	111	109
423	WESTBROOK	ME	BINGHAMPTON	NY	63600	70000	147.28	4.21	17.80	11.25	14.00	14.43	14.37	158	127	123	123
533	BERLIN	NH	PHILADELPHIA	PA	76600	70000	139.92	3.56	18.98	11.49	14.59	14.76	14.63	165	130	126	129
559	LOCK HAVEN	PA	INDIANAPOLIS	IN	70000	70000	128.98	3.69	20.60	11.19	13.48	14.08	13.77	184	152	146	149
634	LOCK HAVEN	PA	INDPLS	IN	70000	0	119.37	3.41	20.60	13.02	15.61	16.34	16.01	158	132	126	128
668	HAMILTON	OH	PHILADELPHIA	PA	64800	0	124.17	3.83	25.60	13.27	15.89	16.89	16.32	192	161	151	156
679	HAMILTON	OH	PHILADELPHIA	PA	64800	0	122.16	3.77	25.60	14.82	17.64	18.76	18.23	173	145	136	140
700	GILMAN	VT	BALTIMORE	MD	64000	0	96.00	3.00	21.00	22.21	26.57	27.92	26.16	94	79	75	80
719	BUCKSPORT	ME	WASHINGTON	DC	61600	50000	118.23	3.84	27.60	17.52	21.40	22.89	22.26	157	128	120	123
745	KALAMAZOO	MI	ATLANTA	GA	78000	0	118.31	3.03	22.60	11.86	14.59	15.13	14.77	190	154	149	152
749	KALAMAZOO	MI	ATLANTA	GA	78000	0	117.68	3.02	22.60	11.88	14.64	15.19	14.82	190	154	148	152
753	KALAMAZOO	MI	ATLANTA	GA	78000	0	69.23	1.78	13.37	11.95	14.74	15.29	14.91	111	90	87	89
867	KALAMAZOO	MI	ATLANTA	GA	78000	0	101.66	2.61	22.60	14.36	17.65	18.35	17.88	157	128	123	126
926	KALAMAZOO	MI	ATLANTA	GA	78000	0	94.98	2.44	22.60	16.17	19.60	20.60	20.10	139	116	109	112
1112	MADAWASKA	ME	CLEVELAND	OH	78000	0	104.51	2.68	29.80	20.81	26.84	27.49	26.64	143	111	108	111
1120	CROWN POINT	NY	ATLANTA	GA	75600	0	100.56	2.66	29.80	17.23	21.24	22.39	21.46	173	140	133	138
1151	CHILLICOTHE	OH	JACKSONVILLE	FL	72000	0	81.95	2.28	26.20	18.32	22.38	23.73	22.75	143	117	110	115
1180	CROWN POINT	NY	ATLANTA	GA	75600	0	95.45	2.53	29.80	18.00	22.21	23.32	22.39	165	134	127	133
1726	MADAWASKA	ME	SAVANAH	GA	72000	70000	72.97	2.03	35.00	33.76	42.20	44.49	42.84	103	82	78	81

TABLE 103

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS)			% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS		
											TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)		TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
212	KALAMAZOO	MI	INDIANAPOLIS	IN	100000	0	235.85	4.72	10.00	5.29	6.55	6.27	6.51	189	153	159	153
229	KALAMAZOO	MI	INDIANAPOLIS	IN	103600	0	226.24	4.37	10.00	6.29	7.72	7.47	7.74	159	129	133	129
286	W FITCHBURG	MA	JOHNSON CITY	NY	94000	100000	213.29	4.27	12.20	7.78	9.97	9.56	9.95	157	122	127	123
399	NIAGARA FALLS	NY	GLEN FALLS	NY	100000	100000	155.39	3.11	12.40	7.94	9.90	9.65	9.77	156	125	128	126
414	NORTH TONAWANDA	NY	NEW YORK	NY	100000	100000	188.41	3.77	15.60	7.16	8.91	8.85	8.81	217	175	176	177
417	NIAGARA FALLS	NY	JERSEY CITY	NJ	100000	100000	187.05	3.74	15.60	7.19	9.05	8.76	8.84	217	172	177	176
444	NIAGARA FALLS	NY	PHILADELPHIA	PA	82000	0	158.82	3.88	17.20	9.80	11.91	12.08	12.06	175	144	142	143
447	LOCK HAVEN	PA	DETROIT	MI	96000	100000	185.27	3.71	16.60	7.47	9.43	9.16	9.19	222	176	181	180
450	NIAGARA FALLS	NY	PHILADELPHIA	PA	82000	0	156.67	3.82	17.20	9.85	11.97	12.12	12.11	174	143	161	161
451	NIAGARA FALLS	NY	PHILADELPHIA	PA	82000	0	156.36	3.81	17.20	8.76	10.76	10.81	10.75	196	160	159	159
451	NIAGARA FALLS	NY	PHILADELPHIA	PA	82000	0	156.36	3.81	17.20	8.76	10.76	10.81	10.75	196	160	159	159
459	WACHUSETT	MA	QUAKERTOWN	PA	93000	0	147.90	3.18	14.61	10.86	13.76	13.66	13.85	132	105	107	105
485	LOCK HAVEN	PA	DETROIT	MI	96000	0	171.13	3.57	17.29	8.00	10.13	9.93	9.93	216	170	174	174
588	WACHUSETT	MA	PAINESVILLE	OH	98000	0	161.56	3.27	19.23	10.73	13.93	13.54	13.54	179	138	142	142
602	LUKE	MD	CHICAGO	IL	92600	100000	154.95	3.10	18.66	8.80	11.64	11.16	11.07	211	165	169	171
614	LUKE	MD	CHICAGO	IL	92600	100000	154.72	3.09	19.00	9.93	12.55	12.26	12.21	191	151	156	155
627	NIAGARA FALLS	NY	CHICAGO	IL	100000	100000	137.38	2.75	17.20	9.12	11.82	11.39	11.22	188	146	151	153
661	JOHNSONBURG	PA	WINSTON SALEM	NC	99000	0	148.97	3.01	19.88	10.51	13.27	13.06	12.98	188	149	151	153
654	JOHNSONBURG	PA	WINSTON-SALEM	NC	98000	100000	146.78	2.92	19.40	10.38	13.18	12.68	12.78	187	147	150	151
671	JOHNSONBURG	PA	WINSTON-SALEM	NC	98000	100000	144.70	2.90	19.40	9.40	11.96	11.76	11.78	206	162	166	165
714	CARTHAGE	NY	INDIANAPOLIS	IN	98000	100000	138.67	2.74	19.60	9.09	12.72	12.45	12.24	198	154	157	160
724	GILMAN	VT	DETROIT	MI	99200	0	143.87	2.90	21.00	12.36	17.07	16.19	16.16	170	123	129	130
727	CARTHAGE	NY	INDIES	IN	98000	0	136.80	2.81	20.42	10.36	13.18	12.98	12.74	197	155	157	160
734	JOHNSONBURG	PA	WINSTON SALEM	NC	98000	0	132.15	2.70	19.80	10.06	12.64	12.76	12.56	196	156	155	157
774	KALAMAZOO	MI	PHILADELPHIA	PA	100000	100000	139.14	2.78	21.46	10.44	13.75	13.10	12.95	204	156	163	166
798	KALAMAZOO	MI	WASHINGTON	DC	100000	100000	136.44	2.69	21.60	10.55	13.92	13.24	12.96	197	155	158	161
805	KALAMAZOO	MI	PHILADELPHIA	PA	100000	100000	132.92	2.66	21.46	13.59	16.81	16.44	16.02	158	128	130	128
822	KALAMAZOO-ALABARDA	MI	WASHINGTON	DC	100000	100000	127.74	2.55	21.00	13.67	16.94	16.65	16.19	154	124	126	126
969	BUCKSPORT	ME	DETROIT	MI	80000	70000	114.50	2.79	26.80	17.26	23.62	23.26	22.96	155	116	115	118
1048	CROWN POINT	NY	SAVANNAH	GA	78200	70000	110.76	2.83	29.63	17.33	21.64	22.17	21.57	171	136	133	137
1121	CROWN POINT	NY	SAVANNAH	GA	78200	70000	103.65	2.65	29.69	17.65	21.36	22.01	21.36	173	139	136	139
1261	W FITCHBURG	MA	CHARLESTON	SC	87200	100000	97.42	1.95	24.57	17.54	22.96	22.54	21.94	140	107	109	112
1471	JOHNSONBURG	PA	MIAMI	FL	84000	0	97.65	2.32	34.20	18.96	23.92	24.67	23.74	180	143	138	144
1515	JOHNSONBURG	PA	MIAMI	FL	84000	70000	95.44	2.27	34.26	19.21	23.47	25.05	24.12	178	146	136	142
1571	CROWN POINT	NY	MIAMI	FL	96000	0	105.09	2.16	33.80	19.17	25.41	25.22	24.49	172	133	134	138

TABLE [illegible]

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS): TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS): CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS): DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS: TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS: CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS: DOLLAR BASIS (16)
664	JOHNSONBURG	PA	WINSTON-SALEM	NC	102800	0	150.17	2.92	19.40	10.16	12.95	12.62	12.52	190	149	153	154
676	JOHNSONBURG	PA	WINSTON-SALEM	NC	102400	0	146.83	2.87	19.40	9.21	11.80	11.53	11.46	210	164	168	169
737	JOHNSONBURG	PA	WINSTON-SALEM	NC	102200	0	135.30	2.63	19.40	10.84	12.13	13.49	13.56	178	160	143	145
752	LUKE	MD	GREENVILLE	TN	116000	0	138.83	2.39	18.00	8.96	11.73	11.18	11.15	201	153	160	161
764	MADAWASKA	ME	PHILADELPHIA	PA	104000	0	151.68	2.94	22.44	13.35	18.06	17.12	17.13	168	124	131	130
765	JOHNSONBURG	PA	WINSTON-SALEM	NC	102800	0	127.03	2.47	19.40	10.26	13.19	12.91	12.75	189	147	150	152
827	LUKE	MD	GREENVILLE	TN	116000	0	126.24	2.18	18.00	9.30	12.25	11.70	11.63	193	146	153	154
854	MILLINOCKET	ME	PHILADELPHIA	PA	120000	0	125.78	2.10	17.90	13.88	18.56	17.35	17.47	129	96	103	102
856	CORINTH	NY	CINCINNATI	OH	111400	0	132.95	2.39	20.43	12.06	15.42	14.83	14.94	169	132	137	137
1050	CORINTH	NY	CINCINNATI	OH	111400	0	108.38	1.95	20.43	15.37	19.32	18.66	18.91	132	105	109	108
1063	QUEBEC	QU	CHICAGO	IL	120000	0	220.13	3.67	39.00	13.20	17.19	16.28	16.23	295	226	239	240
1195	TROIS RIVIERES	QU	LOUISVILLE	KY	118600	0	100.41	1.69	20.20	14.38	18.77	17.83	17.69	140	107	113	114
1372	BUCKSPORT	ME	LAWRENCEBURG	KY	101600	100000	103.67	2.04	28.00	19.30	25.63	24.93	24.61	145	109	112	114
1892	MADAWASKA	ME	JACKSONVILLE	FL	102000	0	92.18	1.81	34.28	26.74	35.10	34.41	33.67	127	97	99	101

TABLE [illegible]

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
55	CORINTH	NY	ALBANY	NY	135560	0	718.80	10.60	5.83	2.98	3.73	3.35	3.66	195	156	174	159
331	WINSLOWAN	ME	FORT EDWARD	NY	126200	100000	308.40	4.86	16.10	7.05	9.72	8.73	9.08	228	165	184	177
374	WINSLOW	ME	SELKIRK	NY	126400	0	257.52	4.07	15.24	7.56	10.69	9.42	9.70	201	143	161	156
403	WOODLAND	ME	BOSTON	MA	133400	0	191.14	2.87	11.55	7.52	10.55	9.35	9.69	153	109	123	119
692	LUKE	MD	SPARTA	IL	125600	0	190.38	3.03	21.00	8.73	11.53	10.75	10.77	240	182	195	194
732	E MILLINOCKET	ME	BALTIMORE	MD	138000	0	284.20	4.12	30.15	11.18	15.39	13.78	14.26	269	195	218	211
758	LUKE	MD	SPARTA	IL	125600	0	173.98	2.77	21.00	9.03	11.96	11.18	11.17	232	175	187	188
847	WOODLAND	ME	ALLENTOWN	PA	130600	100000	137.17	2.16	17.69	12.28	17.24	15.53	15.71	144	102	113	112
967	LUKE	MD	SPARTA	IL	128200	0	139.26	2.22	21.00	10.90	14.67	13.59	13.53	192	145	156	155
1062	WINSLOW	PA	SANDUSKY	OH	120400	0	132.30	2.20	23.35	14.27	19.64	18.08	18.02	163	119	129	129
1132	E MILLINOCKET	ME	PITTSBURGH	PA	134000	0	202.12	3.02	34.15	16.16	22.19	20.16	20.56	211	153	169	166
1565	BUCKSPORT	ME	NASHVILLE	TN	126400	0	114.97	1.82	28.42	17.80	24.75	22.83	22.62	159	116	124	125

TABLE 106

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ACTUAL WEIGHT GROUP: 140001 TO 160000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
367	CORINTH	NY	PHILADELPHIA	PA	142000	0	201.79	2.84	10.59	6.64	8.57	7.82	7.97	165	128	140	134
449	CORINTH	NY	PHILADELPHIA	PA	142000	0	166.51	2.34	10.59	6.42	8.29	7.97	8.14	166	125	137	135
502	WOODLAND	ME	HARTFORD	CT	146000	0	202.67	2.76	13.95	7.98	11.46	9.93	10.28	174	121	140	135
947	E MILLINOCKET	ME	WASHINGTON	DC	146000	0	216.99	2.97	28.00	13.28	18.57	16.42	16.92	210	150	170	165
1212	THUNDER BAY	ON	SOUTH COLUMBUS	OH	150000	0	226.60	3.02	36.60	13.24	17.70	16.02	16.28	276	207	229	226
1227	THUNDER BAY	ON	SOUTH COLUMBUS	OH	150000	0	224.96	3.00	36.80	13.30	17.75	16.10	16.36	276	206	228	224
1247	THUNDER BAY	ON	SOUTH COLUMBUS	OH	150000	0	221.33	2.95	36.80	12.84	17.39	15.68	15.86	286	211	234	232

TABLE 107

ORIGINATING IN SOUTHERN TERRITORY

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
79	DUNBAR	SC	CHARLESTON	SC	36000	36000	200.67	10.56	9.40	9.76	10.53	11.38	12.32	96	89	82	76
95	KINGSLAND	GA	PALATKA	FL	36000	36000	155.79	8.65	8.22	7.66	8.36	9.11	9.67	107	98	90	84
230	ST MARYS	GA	TAMPA	FL	36000	36000	90.87	5.05	11.61	9.85	10.90	12.34	12.43	117	106	94	93
451	FRANKLIN	TN	CHICAGO	IL	36000	36000	82.78	4.60	21.20	13.59	15.27	17.66	17.15	156	138	118	123
715	FRANKLIN	VA	BIRMINGHAM	AL	36000	36000	60.14	3.34	23.89	17.70	20.07	23.94	22.34	134	119	99	106
967	QUINLAN	FL	CARLSTADT	NJ	36000	36000	66.39	3.36	32.44	31.41	35.12	41.27	39.11	103	92	78	82
1000	ST MARYS	GA	HOUSTON	TX	36000	36000	48.70	2.71	27.06	28.17	31.86	37.56	35.66	96	84	72	75
1024	ST MARYS	GA	CHICAGO	IL	36000	36000	52.64	2.92	29.94	26.35	29.67	35.29	33.26	113	100	84	90
1043	SAVANNAH	GA	CHICAGO	IL	36000	36000	56.57	3.14	32.78	24.84	28.22	33.93	31.36	131	116	96	104
1153	CHATTANOOGA	TN	CUDA	WI	36000	36000	55.56	3.09	35.60	31.22	35.25	41.44	39.33	114	100	85	90
1226	PALATKA	FL	ELIZABETH	NJ	36000	36000	51.97	2.89	35.40	35.23	39.61	47.01	44.02	100	89	75	80
1286	PALATKA	FL	MASSILLON	OH	36000	36000	47.97	2.66	34.11	34.95	39.63	46.50	43.51	97	86	72	78
1343	ORLANDO	FL	NORTH LEOMINSTE	MA	36000	36000	50.41	2.80	37.61	37.49	42.47	50.56	47.06	100	88	74	79
1439	ST MARYS	GA	GRIFFITH	IN	36000	36000	34.05	1.89	27.22	36.65	41.72	49.89	45.97	73	65	54	59
1503	PALATKA	FL	DALLAS	TX	36000	36000	40.45	2.25	33.78	35.80	40.51	48.22	44.74	94	83	70	75
1651	KREOLE	MS	JERSEY CITY	NJ	39960	36000	47.69	2.39	39.40	49.56	55.00	62.76	61.21	79	71	62	63
2384	QUINCY	FL	MESA	AZ	36000	36000	43.96	2.44	58.22	52.74	53.69	72.65	68.97	110	98	80	86

TABLE 108

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS)			% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS		
											TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)		TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
255	BPM	GA	SPARTANBURG	SC	50000	50000	103.92	4.16	10.40	7.69	8.61	9.62	9.71	137	120	110	109
420	ST MARYS	GA	MIAMI	FL	50000	50000	66.67	3.47	14.56	9.75	11.32	12.60	12.31	149	128	115	118
422	PISGAH	NC	WALLOPORG	VA	52000	60000	105.21	3.51	14.80	11.01	12.65	13.56	13.90	134	116	108	106
515	I MOSS POINT	MS	NEWPORT	AR	47600	50000	100.97	4.04	20.80	12.86	14.96	16.49	16.16	161	139	126	128
526	MOBILE	AL	DADE CITY	FL	41140	40000	83.99	4.08	21.40	15.45	17.41	19.99	19.60	138	122	107	109
536	DORTHA	KY	OSCEOLA	AR	49120	50000	96.88	3.96	21.20	13.09	15.16	16.88	16.47	161	139	125	128
574	MEMPHIS	TN	SMYTH	NC	42000	36000	92.93	4.43	25.40	16.03	18.02	20.44	20.24	158	140	124	125
581	TERMINAL JCT	AL	SHREVEPORT	LA	52000	50000	84.13	3.24	18.80	14.92	17.03	18.74	18.93	126	110	100	99
673	CANTON	NC	OSCEOLA	AR	52000	50000	101.83	3.92	24.40	13.72	16.02	17.93	17.28	177	152	136	141
752	DECATUR	AL	BETTENDORF	IA	53360	50000	84.42	3.16	23.80	15.76	18.63	20.61	19.96	151	127	115	119
759	DECATUR	AL	GRAND RAPIDS	MI	54260	50000	86.22	3.18	25.20	16.71	19.63	21.74	20.81	150	128	115	121
816	PALATKA	FL	LEXINGTON	KY	56000	50000	65.40	2.62	21.40	16.04	18.90	21.33	20.25	133	113	100	105
866	BOGALUSA	LA	CHICAGO	IL	57140	50000	73.95	2.59	22.47	13.79	16.58	18.46	17.40	162	135	121	129
923	MOBILE	AL	ARGO	IL	44040	36000	74.45	3.38	31.21	26.00	29.13	32.77	32.75	120	107	95	95
971	PALATKA	FL	PINE BLUFF	AR	50000	50000	56.13	2.25	21.80	21.17	24.63	27.79	26.84	102	88	78	81
991	KNFOLA	MS	LOCKPORT	IL	47640	50000	68.62	2.74	27.20	18.20	21.43	24.45	22.97	149	126	111	118
1080	CANTONMENT	FL	WARFIELD	KY	42840	36000	80.38	3.35	36.19	23.40	26.85	31.01	29.27	154	134	116	123
1109	JACKSON	FL	PHILADELPHIA	PA	48000	50000	75.29	3.01	33.40	25.59	29.50	32.71	32.09	130	113	102	104
1151	TERMINAL JCT	AL	MIAMI	FL	60000	50000	65.16	2.17	25.00	21.08	24.75	27.03	26.81	118	101	92	93
1162	ST MARYS	GA	AURORA	IL	50000	50000	58.88	2.35	27.36	24.12	28.27	32.03	30.48	113	96	85	89
1167	PALATKA	FL	SPRINGDALE	AR	56000	50000	59.98	2.40	28.00	21.20	24.92	28.19	26.58	132	112	99	105
1175	ST MARYS	GA	CHICAGO	IL	50000	50000	58.21	2.33	27.46	23.63	27.69	31.16	29.68	116	99	87	92
1178	ST MARYS	GA	CHICAGO	IL	50000	50000	56.06	2.32	27.36	23.46	27.63	31.21	29.70	116	99	87	92
1179	PALATKA	FL	DETROIT	MI	50000	50000	66.16	2.65	31.26	26.04	30.61	34.25	32.47	119	102	91	96
1216	JACKSON	AL	KANSAS CITY	MO	58000	50000	65.82	2.27	27.60	23.63	27.79	30.29	29.91	116	99	91	92
1265	PALATKA	FL	KALAMAZOO	MI	50000	50000	56.05	2.24	28.36	27.54	32.94	36.07	34.06	103	86	78	83
1323	TERMINAL JCT	AL	NEW HAVEN	CT	60000	60000	83.45	2.78	36.80	25.30	29.71	32.55	31.75	145	123	113	115
1372	LOUISIANA		VIRGINIA		53200		67.07	2.52	34.60	22.81	27.18	30.85	28.80	151	127	112	120
1431	JACKSON	AL	CLINTON	MA	52000	50000	67.59	2.60	37.20	30.82	35.51	39.53	38.50	120	104	94	96
1474	PALATKA	FL	FT WAYNE	IN	50000	50000	50.54	2.02	29.80	27.92	32.66	36.96	34.26	106	91	80	87
1626	PALATKA	FL	FT WORTH	TX	51000	50000	47.85	1.91	31.12	29.41	34.93	39.36	36.93	105	89	79	84
1627	I MOSS POINT	MS	ST PAUL	MN	56000	50000	63.59	2.13	34.66	24.33	29.79	32.89	30.92	142	116	105	112

TABLE 109

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS)			% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS		
											TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)		TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
305	PALATKA	FL	JACKSONVILLE	FL	70000	70000	66.85	1.97	6.00	6.30	7.55	7.88	7.95	95	79	76	75
410	MOBILE	AL	DORAVILLE	GA	80000	70000	124.88	3.12	12.80	6.60	8.14	8.35	8.34	193	157	153	153
435	KINGSLAND	GA	CHARLOTTE	NC	70000	70000	99.08	2.83	12.31	7.57	9.17	9.66	9.55	162	134	127	128
448	MOBILE	AL	WAYCROSS	GA	78600	80000	141.07	3.53	15.80	10.49	12.24	12.51	13.26	150	129	126	119
460	SAVANAH	GA	BIRMINGHAM	AL	70000	70000	101.09	2.89	13.29	7.81	9.69	10.00	9.86	170	140	132	134
465	LOUISIANA		TENNESSEE		66400	0	135.64	4.09	19.03	8.81	10.57	11.25	11.12	215	180	169	171
503	TERMINAL JCT	AL	KNOXVILLE	TN	68000	70000	118.29	3.38	17.00	9.57	11.36	11.93	12.08	177	149	142	140
581	MOBILE	AL	ORLANDO	FL	60800	70000	118.07	3.37	19.60	12.59	14.70	15.43	15.89	155	133	127	123
590	ZEE	LA	NASHVILLE	TN	66400	70000	116.27	3.32	19.60	10.02	12.16	12.90	12.65	195	161	151	134
625	LOUISIANA		GEORGIA		78400	0	122.34	3.12	19.53	9.33	11.57	12.01	11.80	208	168	162	165
636	MOBILE	AL	VALDOSTA	GA	66000	50000	80.94	2.45	15.60	12.56	14.72	15.63	15.86	124	105	99	98
660	COOSA PINES	AL	SARASOTA	FL	80000	80000	103.03	2.58	17.00	9.65	11.87	12.26	12.18	176	143	138	139
741	CANTON	NC	CHICAGO	IL	70000	70000	123.75	3.54	26.20	15.18	17.93	18.85	18.94	172	146	139	138
745	DECATUR	AL	FAYETTESVILLE	AL	75440	70000	98.21	2.60	19.40	11.35	13.94	14.51	14.23	170	139	133	134
746	LOUISIANA		GEORGIA		67600	70000	84.62	2.42	18.05	11.53	14.09	15.02	14.55	156	128	120	124
757	CANTONA	NC	PARMA	OH	70000	70000	96.17	2.75	20.80	15.42	16.22	19.15	19.23	134	114	108	108
770	E MOSS POINT	MS	GREENVILLE	SC	79600	70000	100.39	2.52	19.37	10.65	13.29	13.80	13.65	181	145	140	144
838	CALHOUN	TN	DESOTO	MO	74160	50000	96.69	2.61	21.85	13.17	16.03	16.77	16.53	165	136	130	132
888	YULEE	FL	EL DORADO	IL	70000	70000	80.07	2.29	20.31	14.87	18.07	19.23	18.65	136	112	105	108
909	CANTON	NC	WORCESTER	MA	74000	70000	107.46	2.90	26.40	16.82	23.06	20.96	20.95	156	131	125	125
914	JACKSONVILLE	FL	MORRISVILLE	PA	70000	70000	94.97	2.71	24.00	15.89	19.27	20.49	19.82	156	128	121	125
945	ST MARYS	GA	GLENDALE	NY	70000	70000	77.04	2.20	20.00	17.34	21.19	22.52	21.84	118	98	92	95
958	KREOLE	MS	CHICAGO	IL	72880	70000	99.65	2.73	26.20	15.96	18.99	19.97	20.15	164	137	131	130
968	CANTON	NC	MIAMI	FL	74000	70000	88.68	2.40	23.20	15.65	18.87	19.79	19.75	148	123	117	117
977	E MOSS POINT	MS	ST CHARLES	IL	79000	70000	105.94	2.68	26.20	13.01	16.25	16.88	16.34	201	161	155	160
999	CALHOUN	TN	LAWRENCE	KN	76260	60000	131.69	3.45	34.30	19.70	23.30	24.16	24.91	175	148	142	138
1043	MOBILE	AL	DETROIT	MI	77620	70000	98.12	2.53	26.37	14.00	16.17	18.96	18.26	180	145	138	144
1061	TERMINAL JCT	AL	COLUMBIA	MD	66000	70000	92.37	2.64	28.00	18.47	22.02	23.33	23.21	151	127	120	120
1079	LOUISIANA		FLORIDA		72400	0	91.68	2.53	27.35	14.80	18.32	19.52	18.68	184	149	140	146
1111	WAYNESVILLE	NC	ARLINGTON	TX	72000	70000	90.88	2.50	27.80	17.66	21.23	22.34	22.16	157	130	124	125
1138	DONALDSONVILLE	GA	CHICAGO	IL	70000	70000	75.40	2.15	24.51	15.36	19.00	20.42	19.40	159	129	120	126
1161	PALATKA	FL	BENTONVILLE	AR	70000	70000	86.99	2.49	26.86	16.15	19.84	21.12	20.24	170	145	136	142
1178	ST MARYS	GA	CHICAGO	IL	70000	70000	70.03	2.00	23.57	17.89	22.04	23.43	22.65	131	106	100	104
1346	PALATKA	FL	SAGINAW	MI	70000	70000	68.05	1.94	26.17	21.71	26.49	28.29	27.04	120	98	92	96
1570	KREOLE	MS	NEW YORK	NY	69040	70000	72.68	2.08	32.60	29.24	34.40	36.35	36.46	111	94	89	89
1564	E MOSS POINT	MS	NEW YORK	NY	61800	50000	70.31	2.28	36.04	24.65	29.90	32.62	30.64	146	120	109	117
1626	PALATKA	FL	FT WORTH	TX	70000	70000	58.55	1.67	27.20	22.46	27.66	29.42	28.20	121	98	92	96
1776	CANTON	NC	DENVER	CO	74000	70000	74.17	2.00	35.40	26.30	31.91	33.43	33.03	135	111	106	107
2296	YULEE	FL	EL PASO	TX	70000	70000	53.05	1.52	34.80	29.76	37.10	39.45	37.56	116	93	88	92

TABLE 39
EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
110	COOSA PINES	AL	LAGRANGE	GA	100000	100000	344.55	6.89	7.58	4.76	5.59	5.44	6.01	159	135	139	126
175	PALATKA	FL	SAVANNAH	GA	90000	90000	181.03	4.02	7.04	4.27	5.23	5.16	5.40	183	150	151	145
320	WESTPOLK	PA	SUTTON	PA	100000	100000	168.75	3.38	10.80	4.90	6.20	6.05	6.19	220	174	178	174
415	SAVANNAH	GA	GREENSBORO	NC	92000	0	128.29	2.79	11.57	6.84	8.39	8.37	8.63	169	137	138	134
446	CATAWBA	SC	WASHINGTON	DC	100000	100000	163.68	3.27	14.60	7.29	9.19	9.00	9.11	200	158	162	160
485	SAVANNAH	GA	RICHMOND	VA	90000	90000	119.38	2.65	12.87	6.66	8.40	8.44	8.41	193	153	152	153
530	CATAWBA	SC	NASHVILLE	TN	100000	100000	146.79	2.94	15.56	7.18	9.16	9.05	9.07	216	169	172	171
552	LOUISIANA		TENNESSEE		95000	0	126.42	2.66	14.70	7.45	9.45	9.42	9.40	197	155	156	156
576	BROOKLEY	AL	SUTTON	FL	84300	90000	135.94	3.02	17.40	8.15	10.25	10.34	10.28	213	169	168	169
585	FRANKLIN	VA	JACKSONVILLE	FL	90000	90000	127.69	2.84	16.60	7.48	9.50	9.56	9.45	221	174	173	175
725	PALATKA	FL	DISCO	TN	100000	90000	121.52	2.43	17.62	8.02	10.42	10.29	10.13	219	169	171	174
796	JACKSON	AL	INDIANAPOLIS	IN	92000	100000	129.40	2.59	20.60	11.60	14.45	14.28	14.56	177	142	144	141
810	LOUISIANA		FLORIDA		98600	0	111.99	2.27	18.42	9.48	12.23	12.15	11.97	194	150	151	153
837	MOBILE	AL	CHICAGO	IL	93400	90000	123.10	2.58	21.60	9.18	11.86	11.89	11.58	235	181	181	186
859	CATAWBA	SC	BRADENTON	FL	94000	80000	95.20	2.03	17.40	12.74	15.62	15.68	16.09	136	111	110	108
924	PALATKA	FL	MIDDLETON	OH	100000	100000	106.06	2.12	19.60	11.49	14.78	14.63	14.46	170	132	133	135
977	QUINLAN	FL	CORONA	NY	100000	100000	100.08	2.00	19.56	13.51	17.25	17.09	16.83	144	113	114	116
1029	QUINLAN	FL	CROSSETT	AR	90000	90000	84.84	1.89	19.40	13.73	17.36	17.56	17.26	141	111	110	112
1057	PALATKA	FL	NEWARK	NJ	100000	100000	99.53	1.99	21.04	14.22	18.18	18.02	17.71	148	115	116	118
1072	DECATUR	AL	SAN ANTONIO	TX	86620	90000	100.75	2.24	24.00	13.35	17.17	17.19	16.92	179	139	139	141
1124	ST MARYS	GA	CHICAGO	IL	90000	90000	85.77	1.91	21.42	13.38	16.98	17.27	16.89	160	126	124	126
1138	QUINLAN	FL	HAMMOND	IN	90000	90000	75.57	1.68	19.11	12.77	16.41	16.70	16.12	149	116	114	118
1220	CANTONMENT	FL	QUINCY	IL	89380	90000	78.20	1.74	21.20	14.66	18.71	18.98	18.30	144	113	111	115
1226	PALATKA	FL	DALLAS	TX	90000	90000	79.15	1.76	21.60	15.36	19.73	19.81	19.47	140	109	109	110
1327	LOUISIANA		NEW YORK		92800	0	120.26	2.59	34.42	17.62	22.44	22.35	21.81	195	153	152	157
1401	QUINLAN	FL	CHICAGO	IL	90000	90000	68.09	1.51	21.20	15.66	20.02	20.40	19.77	135	105	103	107
1529	LOUISIANA		MARYLAND		98000	100000	97.33	1.95	29.77	16.14	21.07	20.94	20.30	184	141	142	146
1588	LOUISIANA		NEW JERSEY		98000	100000	96.02	1.92	30.51	17.10	22.29	22.15	21.44	178	136	137	142
1760	BROOKLEY	AL	MANVILLE	NJ	82400	70000	58.07	1.41	24.81	22.81	28.16	29.79	28.31	109	88	83	87
1843	LOUISIANA		PASS		97000	100000	90.81	1.82	33.49	20.80	27.04	26.84	25.89	161	123	124	129
1970	CANTONMENT	FL	SIBLEY	IA	99160	90000	68.45	1.38	27.20	18.84	24.66	24.45	23.59	144	110	111	115
2653	QUINLAN	FL	PHOENIX	AZ	90000	90000	91.59	2.04	54.00	27.95	36.86	36.56	35.33	193	146	147	152

TABLE 111

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26210: PAPER (EXCLUDING BUILDING PAPER)

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
402	MOBILE	AL	ORANGE	TX	109440	90000	201.49	3.48	14.88	6.56	8.67	8.02	8.32	225	176	184	177
421	JACKSON	AL	UNION SPRING H	AL	120000	90000	128.27	2.14	9.00	5.66	7.23	6.83	7.16	159	124	131	125
427	COOSA PINES	AL	DRESDEN	TN	114000	90000	142.86	2.86	12.20	6.60	8.29	7.97	8.33	184	147	153	146
443	MOBILE	AL	DECATUR	AL	114000	100000	159.37	2.80	12.39	6.29	8.51	8.19	8.69	179	145	151	142
449	CANTONMENT	FL	NASHVILLE	TN	102240	90000	175.38	3.43	15.48	5.80	7.45	7.27	7.33	265	206	211	210
503	COOSA PINES	AL	LITTLE ROCK	AR	110000	90000	180.39	3.06	15.40	7.61	9.57	9.25	9.56	202	160	188	187
563	DECATUR	AL	CHICAGO	IL	103600	90000	184.09	3.16	17.20	6.60	8.56	8.36	8.33	269	208	213	213
667	MOBILE	AL	LOUISVILLE	KY	116660	90000	169.67	2.91	19.40	8.48	10.72	10.29	10.70	228	181	188	181
827	FERGUSON	MS	KANSAS CITY	MO	113200	90000	140.58	2.47	20.43	8.97	11.77	11.23	11.63	227	173	181	181
866	MOBILE	AL	TROY	OH	112940	100000	142.25	2.52	21.87	12.08	15.12	14.63	15.15	188	144	149	144
923	MOBILE	AL	CHICAGO	IL	100400	90000	117.48	2.34	21.60	9.52	12.46	12.33	12.02	226	173	175	179
924	DECATUR	AL	HAGERSTOWN	MD	100300	100000	117.14	2.34	21.58	11.55	14.88	14.67	14.37	186	145	147	150
1137	LOUISIANA		KENTUCKY		111600	0	111.37	2.00	22.70	11.30	14.99	14.51	14.26	200	151	156	159
1241	MOBILE	AL	LINDEN	NJ	104000	100000	116.07	2.23	27.70	15.56	19.66	19.35	19.50	176	160	143	142
1299	E MOSS POINT	MS	KANSAS CITY	MO	118200	90000	115.46	1.95	25.38	12.47	16.85	15.94	15.74	203	150	139	140
1665	MOBILE	AL	PEPPERELL	MA	106000	100000	95.17	1.88	30.26	24.38	30.92	30.23	30.65	124	97	100	98

TABLE 112

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
239	MOBILE	AL	JACKSON	MS	130600	100000	240.33	3.66	8.80	4.35	5.42	5.05	5.49	202	162	174	160
631	CALHOUN	TN	ORLANDO	FL	130000	130000	217.42	3.34	21.11	8.16	10.42	9.80	10.31	258	202	215	206
639	MOBILE	AL	ST LOUIS	MO	134200	120000	170.32	2.30	15.98	6.82	8.98	8.31	8.61	234	177	192	185

TABLE 113

ACTUAL WEIGHT GROUP: 140001 TO 160000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
665	CALHOUN	TN	LORAIN	OH	140120	120000	237.29	3.30	23.20	8.27	10.88	10.00	10.31	200	213	232	225

TABLE 114

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
729	CANTONMENT	FL	SHELBYVILLE	IN	123360	100000	168.20	2.74	19.94	8.13	10.79	10.15	10.19	245	184	196	195
766	COOSA PINES	AL	HOUSTON	TX	126000	120000	162.49	2.30	17.85	10.37	13.32	12.49	13.15	170	132	141	136
965	CATAWBA	SC	HOLLYWOOD	FL	134000	130000	120.19	1.91	18.08	9.69	13.00	12.13	12.49	182	139	149	144
993	MOBILE	AL	ST LOUIS	MO	138000	120000	101.95	1.48	14.87	10.93	13.46	12.52	13.04	142	109	117	112
1099	LOUISIANA		FLORIDA		128000	0	132.06	2.06	22.70	10.05	13.63	12.70	12.68	225	166	177	176
1216	MOBILE	AL	OMAHA	NB	136820	120000	148.62	2.17	26.42	11.93	16.02	14.75	14.89	221	166	178	177
1349	LOUISIANA		KENTUCKY		139600	0	101.60	1.46	18.72	11.27	13.57	14.30	14.23	176	128	137	138
2590	LOUISIANA		MASSACHUSETTS		122600	0	82.58	1.35	34.98	24.44	33.09	31.26	30.42	142	105	111	114

TABLE 115

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ACTUAL WEIGHT GROUP: 140001 TO 160000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
350	MOBILEN	AL	ATLANTA	GA	156760	100000	240.95	3.18	11.12	6.36	7.82	7.19	8.05	175	142	154	138
621	NIXON	GA	WEST PALM BEACH	FL	154000	120000	161.22	2.35	14.62	7.52	9.74	8.88	9.49	194	150	164	154
642	CALHOUN	IL	EAST ST LOUIS	IL	141560	130000	160.21	2.26	14.53	7.19	9.36	8.63	9.08	202	155	168	160
647	CALHOUN	FL	ST LOUIS	MO	144100	130000	161.13	2.24	14.47	5.44	8.03	7.27	7.37	267	180	199	196
669	ZEE	LA	EFFINGHAM	IL	145400	90000	212.96	2.93	19.60	5.95	8.19	7.40	7.51	329	239	264	260
785	COOSA PINES	AL	COLUMBUS S	OH	160000	120000	187.52	2.34	18.40	8.55	11.52	10.30	10.69	215	159	178	172
898	MOBILE	AL	ST PETERSBURG	FL	143800	120000	111.53	1.55	13.93	8.70	11.66	10.70	10.98	160	119	130	126
1039	CALHOUN	TN	LANSDOWNE	PA	145240	120000	185.91	2.56	26.60	10.72	14.41	13.11	13.31	248	184	202	199
1201	CALHOUN	TN	AUSTIN	TX	144420	120000	146.80	2.03	24.42	13.19	17.00	15.68	16.54	185	143	155	147

TABLE 116

ACTUAL WEIGHT GROUP: 160001 TO 180000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
466	CALHOUN	TN	PENSACOLA	FL	166000	100000	211.36	2.55	11.87	7.43	9.24	8.44	9.38	159	128	140	126
467	CALHOUN	TN	OWENSBORO	KY	174040	130000	210.25	2.42	11.28	5.02	6.71	5.91	6.33	224	168	190	178
545	CALHOUN	TN	TUPELO	MS	164440	130000	160.32	1.95	10.63	7.26	9.26	8.39	9.14	146	114	126	116
946	CALHOUN	TN	SHREVEPORT	LA	165360	120000	142.16	1.72	16.26	10.06	13.16	11.86	12.67	162	123	137	128
1215	CALHOUN	TN	TOPEKA	KS	171740	120000	162.50	1.89	22.99	11.93	15.77	14.06	14.96	192	145	163	153

TABLE 117

ACTUAL WEIGHT GROUP: 180001 TO 200000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
786	COOSA PINES	AL	INDIANAPOLIS	IN	184000	120000	209.41	2.28	17.89	7.02	9.69	8.41	8.86	255	184	212	202
829	COOSA PINES	AL	KANSAS CITY	MO	190000	120000	226.90	2.39	19.80	7.71	10.61	9.11	9.64	256	186	217	205
856	COOSA PINES	AL	WICHITA S	KS	184000	120000	214.57	2.33	20.01	7.59	10.44	9.00	9.49	263	191	222	210

TABLE 118

ORIGINATING IN WESTERN TERRITORY

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
2118	TEXAS		MASSACHUSETTS		55400	0	57.40	2.07	43.91	38.08	45.17	50.18	47.13	115	97	87	93
2376	TEXAS		CALIFORNIA		52000	0	64.35	2.47	58.79	40.95	48.09	55.76	50.75	143	122	105	115

TABLE 119

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS)			% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS		
											TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)		TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
48	LONGVIEW	WA	PORTLAND	OR	74600	0	441.67	11.81	5.67	4.76	5.72	5.56	6.06	119	99	101	93
813	TEXAS		MISSOURI		78000	0	116.89	3.00	24.37	12.34	15.18	15.59	15.36	197	160	156	158
925	LOUISIANA		OHIO		73000	0	96.12	2.63	24.37	13.59	16.72	17.60	17.07	179	145	138	142
1071	TEXAS		ILLINOIS		77000	0	100.92	2.62	28.09	15.28	18.84	19.46	19.04	183	149	144	147

TABLE 120

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
410	TEXAS		LOUISIANA		85200	0	127.38	2.99	12.28	7.47	9.18	9.17	9.31	164	133	133	131
411	ARKANSAS		TEXAS		94400	0	153.52	3.25	13.40	6.90	8.62	8.44	8.60	194	155	158	155
568	LOUISIANA		TEXAS		99200	0	116.65	2.36	13.40	8.06	10.22	9.95	10.05	166	131	134	133
621	LOUISIANA		MISSOURI		86600	90000	115.89	2.58	16.00	9.19	11.50	11.43	11.46	174	139	139	139
730	LOUISIANA		MISSOURIA		65600	90000	99.77	2.22	16.19	10.25	12.85	12.82	12.77	157	125	126	126
739	ARKANSAS		ILLINOIS		96400	0	124.91	2.59	19.16	9.82	12.45	12.24	12.24	195	153	156	156
767	LONGVIEW	WA	SAN FRANCISCO	CA	100000	0	143.42	2.87	22.00	10.82	14.08	13.54	13.76	203	156	162	159
768	LOUISIANA		INDIANA		85600	0	121.20	2.83	21.77	11.89	14.77	14.91	14.74	183	147	145	147
794	LOUISANA		ILLINOIS		91800	0	121.47	2.65	21.02	10.71	13.50	13.42	13.35	196	155	156	157
813	ARKANSAS		GEORGIA		95600	0	105.21	2.20	17.86	10.00	12.82	12.76	12.58	178	139	139	141
816	LOUISIANA		ILLINOIS		92200	0	115.52	2.51	20.47	10.89	13.73	13.65	13.57	187	149	149	150
864	TACOMA	WA	SAN FRANCISCO	CA	100000	0	136.57	2.73	23.60	11.63	15.18	14.62	14.79	202	155	161	159
921	LOUISIANA		TEXAS		85600	0	90.69	2.12	19.53	12.58	15.72	15.88	15.68	155	124	122	124
1141	LONGVIEW	WA	LOS ANGELES	CA	100000	0	127.96	2.56	29.20	13.94	18.32	17.69	17.76	209	159	165	164
1174	LOUISIANA		MINNESOTA		90000	0	95.50	2.12	24.93	14.56	18.41	18.46	18.14	171	135	135	137
1238	TACOMA	WA	LOS ANGELES	CA	100000	0	123.59	2.47	30.60	14.75	19.42	18.77	18.77	207	157	163	163
1257	TEXAS		OHIO		85600	0	95.60	2.23	28.09	17.16	21.46	21.82	21.24	163	130	128	132
1480	ARKANSAS		NEW YORK		87400	0	98.33	2.25	33.30	19.39	24.56	25.01	24.08	171	135	133	138
1574	TEXAS		VIRGINIA		90400	0	79.03	1.75	27.53	17.78	22.73	22.99	22.29	154	121	119	123
1952	TEXAS		NEW JERSEY		86000	90000	75.89	1.69	32.93	24.91	31.66	32.00	30.76	132	104	102	106
2084	LOUISIANA		CALIFORNIA		91400	0	106.44	2.33	48.56	23.38	30.36	30.23	29.56	207	159	160	164

TABLE 21

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
304	ARKANSAS	LOUISIANA	102000	0	169.75	3.38	10.05	3.52	6.93	6.64	6.87	182	144	151	146
443	ARKANSAS	TENNESSEE	108400	P	174.18	3.21	14.33	6.18	7.94	7.62	7.76	231	180	187	184
472	ARKANSAS	ALABAMA	114400	0	171.11	2.99	14.14	6.15	7.99	7.59	7.73	229	176	184	183
560	ARKANSAS	KANSAS	107400	P	198.25	3.69	20.69	8.36	10.49	10.08	10.41	247	197	205	198
756	ARKANSAS	INDIANA	101600	0	138.00	2.72	20.56	10.34	13.19	12.85	12.81	198	155	159	160
763	ARKANSAS	KENTUCKY	101200	P	111.94	2.21	16.93	9.21	11.09	11.68	11.58	183	142	144	146
836	ARKANSAS	OHIO	101800	0	129.05	2.46	20.55	10.45	13.67	13.19	13.06	196	152	155	157
895	ARKANSAS	FLORIDA	101200	P	140.94	2.79	24.93	10.31	13.36	13.16	12.97	241	186	189	192
976	ARKANSAS	IOWA	111200	0	119.50	2.15	21.02	10.46	14.14	13.52	13.51	193	148	155	155
987	TEXAS	GEORGIA	118000	0	110.94	2.02	19.91	10.10	13.59	12.71	12.67	197	148	154	157
993	LOUISIANA	MICHIGAN	114140	0	140.12	2.46	24.39	11.36	14.84	14.13	14.09	214	184	172	173
1021	ARKANSAS	WISCONSIN	105600	0	109.64	2.08	21.21	11.42	15.04	14.36	14.48	182	141	145	144
1054	LOUISIANA	WISCONSIN	100400	0	114.52	2.26	24.00	12.33	15.84	15.50	15.37	194	151	156	156
1101	LOUISIANA	MINNESOTA	114200	0	120.46	2.11	24.93	12.35	16.18	15.41	15.34	202	156	161	162
1185	ARKANSAS	MINNESOTA	100400	0	107.96	2.15	25.49	13.53	17.40	17.06	16.86	188	166	169	151
1277	ARKANSAS	VIRGINIA	107000	0	112.28	2.10	26.21	13.06	17.20	16.78	16.42	205	155	159	163
1282	TEXAS	WISCONSIN	112000	0	115.37	2.06	26.42	13.32	17.67	16.72	16.60	190	151	158	159
1351	TEXAS	MINNESOTA	102000	0	103.21	2.02	27.35	14.85	19.19	18.76	18.50	184	142	145	147
1387	LOUISIANA	PENNSYLVANIA	117600	0	111.60	1.90	26.34	14.97	19.78	18.78	18.54	175	133	148	142
1433	TEXAS	NORTH CAROLINA	103000	0	87.91	1.67	26.08	14.74	19.29	18.07	18.49	162	124	127	129
1451	TEXAS	FLORIDA	110000	0	98.92	1.80	26.11	15.25	19.86	19.24	19.13	171	131	135	136
1590	ARKANSAS	NEW JERSEY	103000	0	98.66	1.90	30.16	18.28	23.62	23.37	22.69	165	126	129	132
1635	ARKANSAS	MASSACHUSETTS	100400	0	91.87	1.81	32.68	21.02	27.28	26.97	26.06	155	119	121	125

TABLE 22

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
200	TEXAS	LOUISIANA	135700	P	300.59	4.45	8.91	4.55	5.68	5.20	5.68	195	154	171	156
492	TEXAS	OKLAHOMA	131200	0	216.88	3.31	16.28	6.84	8.70	8.11	8.52	238	185	200	191
509	ARKANSAS	MISSOURI	133200	0	188.27	2.83	14.19	6.86	8.81	8.11	8.53	207	161	176	166
684	SNOWFLAKE AZ	LOS ANGELES CA	135600	140000	137.05	1.96	13.00	8.48	11.63	10.42	11.04	169	111	126	117
891	LOUISIANA	IOWA	124200	0	145.14	2.36	20.86	9.36	12.41	11.57	11.66	222	167	180	178
972	SNOWFLAKE AZ	SAN FRANCISCO CA	131000	70000	194.07	2.98	28.80	11.23	15.11	13.74	14.29	256	190	209	201
1069	TEXAS	ILLINOIS	121400	0	135.17	2.23	23.81	10.91	14.47	13.57	13.60	218	164	175	175
1921	LOUISIANA	CALIFORNIA	125400	P	141.48	2.26	43.35	17.61	24.10	22.24	22.25	246	179	194	194

TABLE 123

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ACTUAL WEIGHT GROUP: 140001 TO 160000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
295	POMONA	CA	LAS VAGAS	NV	141600	140000	397.84	5.63	16.60	6.11	7.96	7.12	7.77	271	208	233	213
372	TEXAS		ARKANSAS		141200	0	248.14	3.51	13.08	5.67	7.27	6.62	7.07	230	179	197	185
508	TEXAS		TENNESSEE		143600	0	213.81	2.98	15.16	6.59	8.57	7.78	8.21	230	176	194	184
636	TEXAS		KANSAS		141400	0	215.73	3.05	19.42	6.74	9.08	8.19	8.40	288	213	237	231

TABLE 124

ACTUAL WEIGHT GROUP: 160001 TO 180000 POUNDS

425	ARKANSAS		OKLAHOMA		166000	0	259.80	3.13	13.33	5.51	7.27	6.41	6.87	241	183	208	194
466	ARKANSAS		TEXAS		166000	0	250.52	3.02	14.09	5.78	7.65	6.74	7.20	243	184	208	195
599	ARKANSAS		LOUISIANA		161800	0	180.85	2.24	13.39	6.76	8.98	7.95	8.40	198	149	168	159
667	ARKANSAS		GEORGIA		166400	0	187.17	2.25	14.56	6.70	9.04	7.99	8.42	217	161	182	172

TABLE 125

ORIGINATING IN SOUTHERN TERRITORY

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

669	ZEE	LA	CHICAGO	IL	132200	100000	96.73	1.43	12.46	6.93	9.72	8.95	8.75	179	127	138	142

TABLE 126

ORIGINATING IN OFFICIAL TERRITORY

STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER

ACTUAL WEIGHT GROUP: 1 TO 20000 POUNDS

635	BLAWNOX	PA	INDPLS	IN	20000	0	83.95	8.40	35.46	29.19	31.06	37.29	35.91	122	114	95	98

TABLE 127

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

269	BLAWNOX	PA	CINCINNATI	OH	36000	0	124.34	6.91	17.20	16.07	17.56	19.57	19.77	107	97	87	87
366	BLAWNOX	PA	INDIANAPOLIS	IN	36000	36000	91.40	5.08	19.60	16.24	18.00	20.41	19.97	120	108	96	98

TABLE 128

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS)			% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS		
											TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)		TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
757	KALAMAZOO	MI	BALTIMORE	MD	58000	0	103.09	3.55	26.20	17.03	20.03	21.73	20.95	153	130	120	125
766	KALAMAZOO	MI	BALTIMORE	MD	58000	50000	99.19	3.42	26.20	17.42	20.51	22.27	21.44	150	127	117	122
TABLE 129																	
ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS																	
533	BERLIN	NH	PHILADELPHIA	PA	72670	70000	139.92	3.36	18.58	11.49	14.39	14.76	14.63	165	130	126	129
TABLE 130																	
ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS																	
453	WACHUSETT	MA	QUAKERTOWN	PA	93000	0	147.90	3.18	14.41	10.86	13.70	13.46	13.65	132	105	107	105
568	WACHUSETT	MA	PAINESVILLE	OH	98800	0	141.56	3.27	19.25	10.75	13.88	13.46	13.50	179	138	142	142
TABLE 131																	
ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS																	
351	WINSLOWAN	ME	FORT EDWARD	NY	126800	100000	309.40	4.86	16.10	7.05	9.72	8.73	9.06	228	165	184	177
374	WINSLOW	ME	SELKIRK	NY	126400	0	257.52	4.07	15.24	7.56	10.49	9.42	9.76	201	145	161	156
1062	WINSLOW	MA	SANDUSKY	OH	120400	0	132.38	2.20	23.35	14.27	19.46	16.08	18.02	163	119	129	129

TABLE 152

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
95	KINGSLAND	GA	PALATKA	FA	36000	36000	155.79	8.65	8.22	7.66	8.36	9.11	9.67	107	98	90	84
230	ST MARYSD	GA	TAMPA	FL	36000	36000	90.87	5.05	11.61	9.85	10.90	12.34	12.43	117	106	94	93
461	FRANKLIN	TN	CHICAGO	IL	36000	36000	82.78	4.60	21.20	13.59	15.27	17.86	17.15	156	138	118	123
715	FRANKLIN	VA	BIRMINGHAM	AL	36000	36000	60.14	3.34	23.89	17.70	20.07	23.94	22.34	134	119	99	106
967	QUINLAN	FL	CARLSTADT	NJ	36000	36000	60.39	3.35	32.44	31.41	35.12	41.27	39.11	103	92	78	82
1000	ST MARYS	GA	HOUSTON	TX	36000	36000	48.70	2.70	27.06	28.17	31.86	37.56	35.68	96	84	72	75
1024	ST MARYS	GA	CHICAGO	IL	36000	36000	52.64	2.92	29.94	26.35	29.67	35.29	33.26	113	100	84	90
1043	SAVANNAH	GA	CHICAGO	IL	36000	36000	56.57	3.14	32.78	24.86	28.22	33.93	31.36	131	116	96	104
1280	PALATKA	FL	MASSILLON	OH	36000	36000	47.97	2.66	34.11	34.95	39.43	46.90	43.50	97	86	72	78
1343	ORLANDO	FL	NORTH LEOMINSTE	MA	36000	36000	50.41	2.80	37.61	37.49	42.67	50.56	47.06	100	88	74	79
1439	ST MARYS	GA	GRIFFITH	IN	36000	36000	34.05	1.89	27.22	36.85	41.72	49.89	45.97	73	65	54	59
1503	PALATKA	FL	DALLAS	TX	36000	36000	40.45	2.25	33.78	35.80	40.51	48.22	44.82	94	83	70	75
2384	QUINCY	FL	MESA	AZ	36000	36000	43.96	2.44	58.22	52.76	60.63	72.65	66.97	110	96	80	86

TABLE 153

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
255	DAN	GA	SPARTANBURG	SC	50000	50000	103.92	4.16	10.60	7.69	8.81	9.62	9.71	137	120	110	109
420	ST MARYS	GA	MIAMI	FL	50000	50000	86.67	3.47	14.56	9.75	11.32	12.60	12.31	149	128	115	118
536	BORTHA	KY	OSCEOLA	AR	49120	50000	98.88	3.96	21.20	13.09	15.16	16.88	16.47	161	139	125	128
623	CANTON	NC	OSCEOLAR	AR	52000	50000	101.83	3.92	24.40	13.72	16.02	17.83	17.26	177	152	136	141
818	PALATKA	FL	LEXINGTONK	KY	50000	50000	65.40	2.62	21.40	16.04	18.80	21.33	20.25	133	113	100	105
868	BOGALUSA	LA	CHICAGO	IL	57140	50000	73.95	2.59	22.47	13.79	16.56	18.66	17.40	162	135	121	129
971	PALATKA	FL	PINE BLUFF	AR	50000	50000	56.13	2.25	21.80	21.17	24.63	27.79	26.64	102	88	78	81
1081	CANTONMENT	FL	MANSFIELD	TX	42040	36000	70.38	3.35	36.19	23.40	26.85	31.01	29.27	154	134	116	123
1162	ST MARYS	GA	AURORA	IL	50000	50000	58.86	2.35	27.36	24.12	28.27	32.03	30.48	113	96	85	89
1167	PALATKA	FL	SPRINGDALE	AR	50000	50000	59.98	2.40	28.00	21.20	24.92	28.19	26.58	132	112	99	105
1175	ST MARYS	GA	CHICAGO	IL	50000	50000	58.21	2.33	27.36	23.43	27.59	31.16	29.66	116	99	87	92
1178	ST MARYS	GA	CHICAGO	IL	50000	50000	58.06	2.32	27.36	23.48	27.65	31.21	29.70	116	99	87	92
1179	PALATKA	FL	DETROIT	MI	50000	50000	66.16	2.65	31.20	26.06	30.31	34.25	32.47	119	102	91	96
1265	PALATKA	FL	KALAMAZOO	MI	50000	50000	56.05	2.24	28.36	27.34	31.88	36.07	34.08	103	88	78	83
1474	PALATKA	FL	FT WAYNE	IN	50000	50000	50.54	2.02	29.80	27.52	32.44	36.96	34.26	108	91	80	87
1626	PALATKA	FL	FT WORTH	TX	50000	50000	47.85	1.91	31.12	29.41	34.61	39.16	36.93	105	89	79	84

TABLE 134

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26214: WRAPPING PAPER, WRAPPERS OR COARSE PAPER

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
305	PALATKA	FL	JACKSONVILLE	FL	70000	70000	68.85	1.97	6.00	6.30	7.55	7.88	7.95	95	79	76	75
435	KINGSLAND	GA	CHARLOTTE	NC	70000	70000	99.06	2.83	12.31	7.57	9.17	9.66	9.55	162	134	127	129
460	SAVANNAH	GA	BIRMINGHAM	AL	70000	70000	101.89	2.89	13.29	7.81	9.49	10.00	9.86	170	140	132	134
465	LOUISIANA		TENNESSEE		66400	0	135.86	4.09	19.03	8.81	10.57	11.25	11.12	215	180	169	171
746	LOUISIANA		GEORGIA		67400	70000	84.62	2.42	18.05	11.53	14.09	15.02	14.35	156	128	120	126
757	CANTONA	NC	PARMA	OH	70000	70000	96.17	2.75	20.80	15.42	18.22	19.15	19.23	134	114	108	108
770	E MOSS POINT	MS	GREENVILLE	SC	79800	70000	100.39	2.52	19.37	10.65	13.29	13.88	13.45	181	145	140	144
888	YULEE	FL	EL DORADO	IL	70000	70000	80.07	2.29	20.31	14.87	18.07	19.23	18.65	136	112	105	108
909	CANTON	NC	WORCESTER	MA	74000	70000	107.46	2.90	26.40	16.82	20.08	20.96	20.95	156	131	125	125
914	JACKSONVILLE	FL	MORRISVILLE	PA	70000	70000	94.97	2.71	24.80	15.89	19.27	20.49	19.82	156	128	121	125
943	ST MARYS	GA	GLENDALE	NY	70000	70000	77.86	2.20	20.80	17.34	21.19	22.52	21.84	118	98	92	95
958	CREOLE	MS	CHICAGO	IL	72800	70000	99.63	2.73	26.20	15.96	18.99	19.97	20.15	164	137	131	130
968	CANTON	NC	MIAMI	FL	74000	70000	88.68	2.40	23.20	15.65	18.82	19.79	19.75	148	123	117	117
1079	LOUISIANA		FLORIDA		72600	0	91.40	2.53	27.35	14.80	18.32	19.52	18.68	184	149	140	146
1138	DONALDSONVILLE	GA	CHICAGO	IL	70000	70000	75.40	2.15	24.51	15.36	19.00	20.62	19.40	159	129	120	126
1161	PALATKA	FL	BENTONVILLE	AR	70000	70000	86.99	2.49	28.86	16.15	19.84	21.12	20.24	178	145	136	142
1178	ST MARYS	GA	CHICAGO	IL	70000	70000	70.03	2.00	23.57	17.89	22.04	23.43	22.65	131	106	100	104
1346	PALATKA	FL	SAGINAW	MI	70000	70000	68.05	1.94	26.17	21.71	26.49	28.29	27.04	120	98	92	96
1584	E MOSS POINT	MS	NEW YORK	NY	61800	50000	70.31	2.28	36.04	24.45	29.90	32.87	30.64	146	120	109	117
1626	PALATKA	FL	FT WORTH	TX	70000	70000	58.53	1.67	27.20	22.46	27.66	29.42	28.20	121	98	92	96
1776	CANTON	NC	DENVER	CO	74000	70000	74.17	2.00	35.60	26.30	31.91	33.63	33.03	135	111	106	107
2296	YULEE	FL	EL PASO	TX	70000	70000	53.05	1.52	34.80	29.76	37.10	39.45	37.58	116	93	88	92

TABLE 135

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
195	PALATKA	FL	SAVANNAH	GA	90000	90000	181.03	4.07	7.84	4.27	5.23	5.16	5.40	183	150	151	145
615	SAVANNAH	GA	GREENSBORO	NC	92000	0	128.29	2.79	11.57	6.86	8.39	8.37	8.63	169	137	138	134
485	SAVANNAH	GA	RICHMOND	VA	90000	90000	119.38	2.65	12.87	6.66	8.40	8.44	8.41	193	153	152	153
576	BROOKLEY	AL	SUTTON	FL	84380	90000	135.94	3.02	17.40	8.15	10.25	10.34	10.28	213	169	168	169
585	FRANKLIN	VA	JACKSONVILLE	FL	90000	90000	127.69	2.84	16.60	7.48	9.50	9.58	9.45	221	174	173	175
725	PALATKA	FL	BIDCO	TN	100000	90000	121.52	2.43	17.62	8.02	10.42	10.29	10.13	219	169	171	174
837	MOBILE	AL	CHICAGO	IL	95400	90000	123.10	2.58	21.60	9.18	11.88	11.89	11.58	235	181	181	186
924	PALATKA	FL	MIDDLETON	OH	100000	100000	106.06	2.12	19.60	11.49	14.78	14.63	14.44	170	132	133	135
977	QUINLAN	FL	CORONA	NY	100000	100000	100.00	2.00	19.54	13.51	17.25	17.09	16.83	144	113	114	116
1029	QUINLAN	FL	CROSSETT	AR	90000	90000	84.84	1.89	19.40	13.73	17.36	17.58	17.28	141	111	110	112
1057	PALATKA	FL	NEWARK	NJ	100000	100000	99.33	1.99	21.04	14.22	16.18	16.02	17.71	148	115	116	118
1114	ST MARYS	GA	CHICAGO	IL	90000	90000	85.77	1.91	21.42	13.38	16.98	17.27	16.89	160	126	124	126
1138	QUINLAN	FL	HAMMOND	IN	90000	90000	75.57	1.68	19.11	12.77	16.41	16.70	16.12	149	116	114	118
1220	CANTONMENT	FL	QUINCY	IL	89380	90000	78.20	1.74	21.20	14.64	18.71	18.98	18.30	144	113	111	115
1228	PALATKA	FL	DALLAS	TX	90000	90000	79.15	1.76	21.60	15.36	19.73	19.81	19.47	140	109	109	110
1401	QUINLAN	FL	CHICAGO	IL	90000	90000	68.09	1.51	21.20	15.66	20.02	20.40	19.77	135	105	103	107
1588	LOUISIANA		NEW JERSEY		99000	100000	96.02	1.92	30.51	17.10	22.29	22.15	21.44	178	136	137	142
1760	BROOKLEY	AL	MANVILLE	NJ	82400	70000	58.07	1.41	24.81	22.81	28.76	29.79	28.31	108	86	83	87
1843	LOUISIANA		MASS		97000	100000	90.81	1.82	33.49	20.80	27.04	26.64	25.89	161	123	124	129
1970	CANTONMENT	FL	SIBLEY	IA	99160	90000	68.45	1.38	27.20	18.84	24.66	24.45	23.59	144	110	111	115
2653	QUINLAN	FL	PHOENIX	AZ	90000	90000	91.59	2.04	54.00	27.95	36.36	36.58	35.33	193	148	147	152

TABLE 136

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
402	MOBILE	AL	ORANGE	TX	109440	90000	201.49	3.68	14.80	6.56	8.47	8.02	8.32	225	176	184	177
449	CANTONMENT	FL	NASHVILLEE	TN	102240	90000	175.38	3.43	15.40	5.80	7.65	7.27	7.33	265	206	211	210
667	MOBILE	AL	LOUISVILLE	KY	116660	90000	169.67	2.91	19.40	8.48	10.72	10.29	10.70	226	181	188	181
827	FERGUSON	MS	KANSAS CITY	MO	113800	90000	140.58	2.47	20.43	8.97	11.77	11.23	11.23	227	173	181	181
868	MOBILE	AL	TROY	OH	112960	100000	142.25	2.52	21.87	12.08	15.12	14.63	15.15	180	144	149	144
923	MOBILE	AL	CHICAGO	IL	100400	90000	117.48	2.34	21.60	9.52	12.46	12.33	12.02	226	173	175	179
1137	LOUISIANA		KENTUCKY		111600	0	111.37	2.00	22.70	11.30	14.98	14.51	14.76	200	151	156	159
1261	MOBILE	AL	LINDEN	NJ	104000	100000	116.07	2.23	27.70	15.56	19.66	19.35	19.50	176	140	143	142
1685	MOBILE	AL	PEPPERELL	MA	106000	100000	95.17	1.80	30.26	24.36	30.92	30.23	30.65	124	97	100	98

TABLE 137

CARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26214: WRAPPING PAPER, WRAPPERS OR COARSE PAPER

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
729	CANTONMENT	FL	SHELBYVILLE	IN	123360	100000	168.70	2.74	19.94	8.13	10.79	10.15	10.19	245	184	196	195
1099	LOUISIANA		FLORIDA		126000	0	132.88	2.06	22.78	10.05	13.63	12.76	12.68	225	166	177	178
1549	LOUISIANA		KENTUCKY		139000	0	101.60	1.46	19.72	11.27	15.57	14.30	14.23	174	126	137	136
2590	LOUISIANA		MASSACHUSETTS		122600	0	82.58	1.35	34.90	24.44	33.00	31.26	30.42	162	105	111	114

TABLE 138

ORIGINATING IN WESTERN TERRITORY

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
46	LONGVIEW	WA	PORTLAND	OR	74800	0	441.67	11.81	5.67	4.76	5.72	5.56	6.06	119	99	101	93
925	LOUISIANA		OHIO		73800	0	96.12	2.63	24.37	13.59	16.72	17.60	17.67	179	145	138	142

TABLE 139

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
611	ARKANSAS		TEXAS		94400	0	153.52	3.25	13.40	6.90	5.62	8.44	8.60	194	155	158	155
569	LOUISIANA		TEXAS		99200	0	116.85	2.36	13.40	8.06	13.22	9.95	10.35	166	131	136	133
730	LOUISIANA		MISSOURI		65600	90000	99.77	2.22	16.19	10.25	12.85	12.82	12.77	157	125	126	126
759	ARKANSAS		ILLINOIS		94400	0	126.91	2.59	19.16	9.82	12.45	12.24	12.24	195	153	156	156
767	LONGVIEW	WA	SAN FRANCISCO	CA	100000	0	143.42	2.87	22.00	10.82	14.08	13.54	13.76	203	156	162	159
813	ARKANSAS		GEORGIA		95800	0	105.21	2.20	17.86	10.00	12.82	12.76	12.58	178	139	139	141
816	LOUISIANA		ILLINOIS		92200	0	115.52	2.51	20.47	10.89	13.79	13.65	13.57	187	148	149	150
886	TACOMA	WA	SAN FRANCISCO	CA	100000	0	136.37	2.73	23.60	11.63	15.10	14.62	14.79	202	153	161	159
1161	LONGVIEW	WA	LOS ANGELES	CA	100000	0	127.96	2.36	29.20	13.96	18.32	17.69	17.74	209	159	165	164
1238	TACOMA	WA	LOS ANGELES	CA	100000	0	123.39	2.47	30.60	14.75	19.42	18.77	18.77	207	157	163	163
1400	ARKANSAS		NEW YORK		87400	0	90.33	2.25	33.30	19.30	24.56	25.01	24.08	171	135	133	138

TABLE 340

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
304	ARKANSAS	LOUISIANA	102800	0	169.75	3.30	10.05	5.52	6.93	6.66	6.87	182	144	151	146
445	ARKANSAS	TENNESSEE	108400	0	174.10	3.21	14.33	6.18	7.94	7.62	7.76	231	180	187	184
472	ARKANSAS	ALABAMAIN	114400	0	171.11	2.99	14.14	6.15	7.99	7.59	7.73	229	176	186	183
756	ARKANSAS	INDIANA	101600	0	138.00	2.72	20.56	10.34	13.19	12.85	12.81	198	155	159	160
765	ARKANSAS	KENTUCKY	101200	0	111.96	2.21	16.93	9.21	11.89	11.68	11.38	183	142	144	148
836	ARKANSAS	OHIO	101600	0	125.05	2.46	20.35	10.43	13.47	13.19	13.06	196	152	155	157
895	ARKANSAS	FLORIDA	101200	0	140.96	2.79	24.93	10.31	13.36	13.16	12.97	241	186	189	192
978	ARKANSAS	IOWA	111200	0	119.50	2.15	21.02	10.86	14.16	13.52	13.51	193	148	155	155
1021	ARKANSAS	WISCONSIN	105600	0	109.64	2.08	21.21	11.62	15.04	14.56	14.48	182	141	145	146
1181	LOUISIANA	MINNESOTA	114200	0	120.46	2.11	24.93	12.31	16.10	15.41	15.34	202	154	161	162
1165	ARKANSAS	MINNESOTO	100400	0	107.96	2.15	25.49	13.53	17.40	17.06	16.84	188	146	149	151
1277	ARKANSAS	VIRGINIA	107000	0	112.28	2.10	26.81	13.06	17.20	16.78	16.42	205	155	159	163
1590	ARKANSAS	NEW JERSEY	103600	0	96.46	1.90	30.16	18.26	23.82	23.37	22.69	165	126	129	132
1805	ARKANSAS	MASSACHUSETTS	100600	0	91.07	1.81	32.68	21.02	27.26	26.97	26.06	155	119	121	125

TABLE 341

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
891	LOUISIANA	IOWA	124200	0	145.14	2.34	20.84	9.36	12.41	11.57	11.66	222	167	180	178
1921	LOUISIANA	CALIFORNIA	125400	0	141.48	2.26	43.35	17.61	24.10	22.24	22.25	246	179	194	194

TABLE 342

ORIGINATING IN OFFICIAL TERRITORY

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1505	MADAWASKA ME	CHARLOTTE NC	54200	0	64.76	2.39	36.00	37.87	45.37	50.50	48.29	95	79	71	74

TABLE 345

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
267	GILMANHD	VT	ALBANY	NY	68000	0	188.39	5.54	14.79	10.55	12.73	13.29	13.56	140	116	111	109
423	WESTBROOK	ME	BINGHAMPTON	NY	63600	70000	147.28	4.21	17.80	11.25	14.00	14.43	14.37	158	127	123	123
559	LOCK HAVEN	PA	INDIANAPOLIS	IN	70000	70000	126.98	3.69	20.60	11.19	13.40	14.08	13.77	184	152	146	149
604	LOCK HAVEN	PA	INDPLS	IN	70000	0	119.37	3.41	20.60	13.02	15.61	16.34	16.01	158	132	126	128
666	HAMILTON	OH	PHILADELPHIA	PA	64800	0	124.17	3.83	25.60	13.27	15.89	16.89	16.32	192	161	151	156
679	HAMILTON	OH	PHILADELPHIA	PA	64800	0	122.16	3.77	25.60	14.82	17.64	18.76	18.23	172	143	136	140
700	GILMAN	VT	BALTIMORE	MD	64000	0	96.00	3.00	21.00	22.21	26.37	27.92	26.18	94	79	75	80
719	BUCKSPORT	ME	WASHINGTON	DC	61600	57000	118.23	3.84	27.60	17.52	21.40	22.89	22.26	157	128	120	123
745	KALAMAZOO	MI	ATLANTA	GA	78000	0	118.31	3.03	22.60	11.84	14.59	15.13	14.77	190	154	149	152
749	KALAMAZOO	MI	ATLANTA	GA	78000	0	117.68	3.02	22.60	11.88	14.64	15.19	14.82	190	154	148	152
753	KALAMAZOO	MI	ATLANTA	GA	78000	0	69.25	1.78	13.37	11.95	14.74	15.29	14.91	111	90	87	89
867	KALAMAZOO	MI	ATLANTA	GA	78000	0	101.66	2.61	22.60	14.36	17.65	18.35	17.98	157	128	123	126
926	KALAMAZOO	MI	ATLANTA	GA	78000	0	94.98	2.44	22.60	16.17	19.80	20.60	20.10	139	114	109	112
1112	MADAWASKA	ME	CLEVELAND	OH	78000	0	104.51	2.68	29.80	20.81	26.84	27.49	26.84	143	111	108	111
1120	CROWN POINT	NY	ATLANTA	GA	75600	0	100.56	2.66	29.80	17.23	21.26	22.31	21.46	172	140	133	138
1151	CHILLICOTHE	OH	JACKSONVILLE	FL	72000	0	81.95	2.28	26.20	18.27	22.39	23.75	22.75	143	117	110	115
1160	CROWN POINT	NY	ATLANTA	GA	75600	0	95.45	2.53	29.80	18.00	22.21	23.32	22.39	165	134	127	133
1728	MADAWASKA	ME	SAVANNAH	GA	72000	70000	72.92	2.03	35.00	33.76	42.20	44.49	42.94	103	82	78	81

TABLE [illegible]

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
212	KALAMAZOO	MI	INDIANAPOLIS	IN	100000	0	235.05	4.72	10.00	5.29	6.53	6.27	6.51	188	153	159	153
221	KALAMAZOO	MI	INDIANAPOLIS	IN	100000	0	226.26	4.52	10.00	6.29	7.72	7.47	7.74	158	129	133	129
286	W FITCHBURG	MA	JOHNSON CITY	NY	94000	100000	213.29	4.27	12.20	7.78	9.97	9.34	9.85	156	122	127	123
399	NIAGARA FALLS	NY	GLEN FALLS	NY	100000	100000	155.39	3.11	12.40	7.96	9.90	9.65	9.77	156	125	128	126
414	NORTH TONAWANDA	NY	NEW YORK	NY	100000	100000	188.41	3.77	15.60	7.16	9.01	8.75	8.81	217	173	178	177
417	NIAGARA FALLS	NY	JERSEY CITY	NJ	100000	100000	187.05	3.74	15.60	7.19	9.05	8.78	8.84	217	172	177	176
446	NIAGARA FALLS	NY	PHILADELPHIA	PA	82000	0	158.12	3.86	17.20	9.80	11.91	12.06	12.[illegible]	175	144	142	142
448	LOCK HAVEN	PA	DETROIT	MI	96000	100000	185.27	3.71	16.60	7.47	9.43	9.16	9.18	222	176	181	181
450	NIAGARA FALLS	NY	PHILADELPHIA	PA	82000	0	156.67	3.82	17.20	9.83	11.97	12.12	12.11	174	143	141	142
451	NIAGARA FALLS	NY	PHILADELPHIA	PA	82000	0	156.36	3.81	17.20	8.76	10.70	10.81	10.75	196	160	159	159
451	NIAGARA FALLS	NY	PHILADELPHIA	PA	82000	0	156.36	3.81	17.20	8.76	10.70	10.81	10.75	196	160	159	159
485	LOCK HAVEN	PA	DETROIT	MI	96000	0	171.13	3.57	17.29	8.06	10.13	9.93	9.91	214	170	174	174
613	LUKE	MD	CHICAGO	IL	92400	100000	154.98	3.10	19.00	9.00	11.44	11.18	11.07	211	165	169	171
614	LUKE	MD	CHICAGO	IL	92400	100000	154.72	3.09	19.00	9.93	12.55	12.28	12.21	191	151	154	155
626	NIAGARA FALLS	NY	CHICAGO	IL	100000	100000	137.38	2.75	17.20	9.12	11.62	11.34	11.22	188	148	151	153
660	JOHNSONBURG	PA	WINSTON SALEM	NC	98000	0	146.97	3.00	19.80	10.51	13.27	13.06	12.93	188	149	151	153
664	JOHNSONBURG	PA	WINSTON-SALEM	NC	98000	100000	146.08	2.92	19.40	10.39	13.16	12.90	12.78	186	147	150	151
670	JOHNSONBURG	PA	WINSTON-SALEM	NC	98000	100000	144.78	2.90	19.40	9.48	11.98	11.79	11.70	206	161	164	165
724	GILMANCRT	VT	DETROIT	MI	99200	0	143.27	2.90	21.00	12.28	17.06	16.19	16.08	170	123	129	130
734	JOHNSONBURG	PA	WINSTON SALEM	NC	97800	0	132.15	2.70	19.80	10.08	12.84	12.70	12.34	196	156	155	137
769	KALAMAZOO	MI	PHILADELPHIA	PA	100000	100000	139.14	2.78	21.40	10.44	13.38	13.10	12.85	204	159	163	166
781	KALAMAZOO	MI	WASHINGTON	DC	100000	100000	134.44	2.69	21.00	10.55	13.52	13.24	12.98	198	155	158	161
805	KALAMAZOO	MI	PHILADELPHIA	PA	100000	100000	132.92	2.66	21.40	13.31	16.71	16.44	16.62	158	128	132	128
822	KALAMAZOOBAVANDA	MI	WASHINGTON	DC	100000	100000	127.76	2.55	21.00	13.67	16.92	16.63	16.81	153	126	126	126
969	BUCKSPOORT	ME	DETROIT	MI	84800	70000	114.90	2.71	26.00	17.24	23.42	23.26	22.56	155	114	115	118
1086	CROWN POINT	NY	SAVANNAH	GA	81200	70000	110.76	2.73	29.63	17.33	21.44	22.17	21.52	170	138	133	137
1181	CROWN POINT	NY	SAVANNAH	GA	81200	70000	101.85	2.51	29.63	17.05	21.26	22.01	21.20	173	139	134	139
1241	W FITCHBURG	MA	CHARLESTON	SC	87200	100000	98.98	1.98	24.57	17.54	22.80	22.34	21.86	140	107	109	112
1471	JOHNSONBURG	PA	MIAMI	FL	84000	0	97.65	2.32	34.20	18.96	23.92	24.67	23.64	180	143	134	144
1505	JOHNSONBURG	PA	MIAMI	FL	84000	70000	95.44	2.27	34.20	19.21	24.27	25.05	23.98	178	140	138	142
1571	CROWN POINT	NY	MIAMI	FL	100000	0	105.03	2.10	33.00	19.17	24.72	24.57	23.90	172	133	134	138

TABLE 165

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
664	JOHNSONBURG	PA	WINSTON-SALEM	NC	102800	0	150.17	2.92	19.40	10.18	12.95	12.62	12.52	190	149	153	154
670	JOHNSONBURG	PA	WINSTON-SALEM	NC	102800	0	149.83	2.90	19.40	9.21	11.80	11.53	11.46	210	164	168	169
737	JOHNSONBURG	PA	WINSTON-SALEM	NC	102800	0	135.30	2.63	19.40	10.84	13.83	13.49	13.34	178	140	143	145
752	LUKE	MD	GREENVILLE	TN	110000	0	130.83	2.39	18.00	8.96	11.73	11.18	11.15	201	153	160	161
784	MADAWASKA	ME	PHILADELPHIA	PA	106000	0	151.68	2.86	22.44	13.35	18.06	17.12	17.13	168	124	131	130
785	JOHNSONBURG	PA	WINSTON-SALEM	NC	102800	0	127.03	2.47	19.40	10.26	13.19	12.91	12.75	189	147	150	152
827	LUKE	MD	GREENVILLE	TN	116000	0	126.24	2.18	18.00	9.30	12.25	11.70	11.63	193	144	153	154
1372	BUCKSPORT	ME	LAWRENCEBURG	KY	101600	100000	103.67	2.04	28.00	19.30	25.63	24.93	24.41	145	109	112	114
1892	MADAWASKA	ME	JACKSONVILLE	FL	102000	0	92.18	1.81	34.20	26.94	35.10	34.41	33.67	127	97	99	101

TABLE 166

TUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
55	CORINTH	NY	ALBANY	NY	135560	0	710.88	10.48	5.83	2.98	3.73	3.35	3.66	195	156	174	159
692	LUKE	MD	SPARTA	IL	125600	0	190.56	3.03	21.00	8.73	11.53	10.75	10.77	240	182	195	195
758	LUKE	MD	SPARTA	IL	125600	0	173.98	2.77	21.00	9.03	11.96	11.18	11.17	232	175	187	188
947	LUKE	MD	SPARTA	IL	125600	0	139.26	2.22	21.00	10.90	14.47	13.59	13.53	192	145	154	155
1565	BUCKSPORTORT	ME	NASHVILLE	TN	126600	0	114.97	1.82	28.42	17.89	24.75	22.03	22.62	158	114	129	125

TABLE 167

ORIGINATING IN SOUTHERN TERRITORY

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
1153	CHATTANOOGA	TN	DUDA	ME	36000	36000	55.58	3.09	35.60	31.22	35.25	41.66	39.33	114	100	85	90
1651	KREOLE	MS	JERSEY CITY	NJ	39800	36000	47.49	2.39	39.40	49.58	55.00	62.70	61.71	79	71	62	63

TABLE 168

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
515	E MOSS POINT	MS	NEWPORT	AR	47600	50000	100.97	4.04	20.80	12.86	14.86	16.49	16.16	161	139	126	128
581	TERMINAL JCT	AL	SHREVEPORT	LA	52000	50000	84.13	3.24	18.80	14.92	17.03	19.76	18.63	126	110	100	99
752	DECATUR	AL	BETTENDORF	IA	53340	50000	84.42	3.16	23.80	15.70	18.63	20.61	19.98	150	127	115	119
793	DECATUR	AL	GRAND RAPIDS	MI	54260	50000	86.22	3.18	25.20	16.71	19.63	21.74	20.51	150	128	115	121
923	MOBILE	AL	ARGO	IL	44040	36000	74.45	3.38	31.21	24.00	29.13	32.77	32.75	130	107	95	95
991	KREOLE	MS	LOCKPORT	IL	47640	50000	69.62	2.74	27.20	18.20	21.43	24.45	22.97	149	126	111	118
1151	TERMINAL JCT	AL	MIAMI	FL	60900	50000	65.76	2.17	25.00	21.00	24.75	27.03	26.41	118	101	92	93
1323	TERMINAL JCT	AL	NEW HAVEN	CT	60000	60000	83.45	2.70	36.80	25.36	29.71	32.35	31.75	145	123	113	115
1372	LOUISIANA		VIRGINIA		53200	0	67.07	2.52	34.00	22.81	27.16	30.85	28.80	151	127	112	120
1627	E MOSS POINT	MS	ST PAUL	MN	59000	50000	65.59	2.13	34.60	24.33	29.69	32.69	30.62	142	116	105	112

TABLE 169

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
410	MOBILE	AL	DORAVILLE	GA	80000	70000	124.80	3.12	12.80	6.60	8.14	8.35	8.34	193	157	153	153
503	TERMINAL JCT	AL	KNOXVILLE	TN	68000	70000	118.29	3.38	17.00	9.57	11.36	11.93	12.08	177	149	142	140
561	MOBILE	AL	ORLANDO	FL	67800	70000	110.07	3.37	19.40	12.59	14.70	15.43	15.69	155	133	127	123
590	ZEE	LA	NASHVILLE	TN	68400	70000	116.27	3.32	19.60	10.82	12.16	12.90	12.65	185	161	151	156
625	LOUISIANA		GEORGIA		78400	0	122.34	3.12	19.53	9.35	11.57	12.01	11.80	208	168	162	165
741	CANTON	NC	CHICAGO	IL	70000	70000	123.75	3.54	26.20	15.18	17.93	18.85	18.94	172	146	139	138
765	DECATUR	AL	FAYETTESVILLE	AL	75440	70000	98.21	2.40	19.40	11.35	13.94	14.51	14.29	170	139	133	136
977	E MOSS POINT	MS	ST CHARLES	IL	79000	70000	105.94	2.48	26.20	13.01	16.25	16.88	16.74	201	161	155	180
1043	MOBILE	AL	DETROIT	MI	77620	70000	98.12	2.53	26.37	14.40	19.17	18.98	18.76	180	145	138	144
1061	TERMINAL JCT	AL	COLUMBIA	MO	66000	70000	97.37	2.44	28.80	18.47	22.02	23.33	23.21	151	127	120	120
1111	WAYNESVILLE	NC	ARLINGTON	TX	72000	70000	96.08	2.30	27.80	17.46	21.23	22.34	22.16	157	130	124	125
1570	KREOLE	MS	NEW YORK	NY	69640	70000	72.64	2.08	32.40	29.26	36.46	36.35	36.40	111	94	89	89

TABLE 170

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
552	LOUISIANA		TENNESSEE		95000	0	126.42	2.64	14.70	7.45	9.65	9.62	9.60	197	155	156	156
816	LOUISIANA		FLORIDA		96600	0	111.99	2.27	18.42	9.48	12.23	12.15	11.97	194	150	151	153
1072	DECATUR	AL	SAN ANTONIO	TX	86420	90000	100.75	2.24	24.00	13.35	17.17	17.19	16.92	179	139	139	141
1327	LOUISIANA		NEW YORK		92600	0	120.26	2.59	34.42	17.62	22.44	22.55	21.01	195	153	152	157
1529	LOUISIANA		MARYLAND		98000	100000	97.33	1.95	29.77	16.34	21.07	20.94	20.30	184	141	142	166

TABLE 151

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
563	DECATUR	AL	CHICAGO	IL	103800	90000	164.09	3.16	17.88	6.68	8.56	8.36	8.33	269	208	213	213
926	DECATUR	AL	HAGERSTOWN	MD	100300	100000	117.14	2.34	21.58	11.55	14.88	14.67	14.37	186	145	147	150
1299	E MOSS POINT	MS	KANSAS CITY	MO	118200	90000	115.46	1.95	25.38	12.47	16.85	15.94	15.78	203	150	159	160

TABLE 152

ACTUAL WEIGHT GROUP: 140001 TO 160000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
669	IEE	LA	EFFINGHAM	IL	145400	90000	212.96	2.93	19.60	5.95	8.19	7.40	7.51	329	239	264	261

TABLE 153

ORIGINATING IN WESTERN TERRITORY

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
2110	TEXAS	MASSACHUSETTS	55400	0	57.40	2.07	43.91	38.08	45.17	50.18	47.13	115	97	87	93
2376	TEXAS	CALIFORNIA	52000	0	64.33	2.47	58.79	40.15	48.01	53.76	50.73	146	122	109	115

TABLE 154

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
813	TEXAS	MISSOURI	76000	0	116.89	3.00	24.37	12.36	15.18	15.59	15.30	197	160	156	159
1071	TEXAS	ILLINOIS	77000	0	100.92	2.62	28.09	15.28	18.84	19.48	19.04	183	149	144	147

TABLE 155

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
621	LOUISIANA	MISSOURI	86400	90000	115.89	2.58	16.00	9.19	11.50	11.43	11.46	174	139	139	139
768	LOUISIANA	INDIANA	85600	0	121.20	2.63	21.77	11.89	14.77	14.91	14.74	183	147	146	147
794	LOUISANA	ILLINOIS	91800	0	121.47	2.65	21.02	10.71	13.58	13.42	13.35	196	155	156	157
921	LOUISIANA	TEXAS	83600	0	90.69	2.12	19.53	12.58	15.72	15.88	15.68	155	124	122	124
1174	LOUISIANA	MINNESOTA	90000	0	95.30	2.12	24.93	14.56	18.41	18.46	18.16	171	135	135	137
1257	TEXAS	OHIO	85600	0	95.60	2.23	28.09	17.16	21.60	21.82	21.24	163	130	128	132
1952	TEXAS	NEW JERSEY	84000	90000	75.89	1.69	32.93	24.91	31.66	32.00	30.78	132	104	102	106
2064	LOUISIANA	CALIFORNIA	91600	0	106.44	2.33	48.56	23.38	30.36	30.23	29.54	207	159	160	164

TABLE 156

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
987	TEXAS	GEORGIA	118000	0	118.94	2.02	19.91	10.10	13.39	12.71	12.67	197	148	156	157
993	LOUISIANA	MICHIGAN	114140	0	140.12	2.46	24.39	11.36	14.84	14.13	14.09	214	164	172	173
1054	LOUISIANA	WISCONSIN	100600	0	114.52	2.28	24.00	12.33	15.84	15.50	15.37	194	151	154	156
1282	TEXAS	WISCONSIN	112000	0	115.37	2.06	26.42	13.32	17.47	16.72	16.60	198	151	158	159
1351	TEXAS	MINNESOTA	102000	0	103.21	2.02	27.35	14.85	19.19	18.76	18.50	184	142	145	147
1387	LOUISIANA	PENNSYLVANIA	117600	0	111.60	1.90	26.34	14.97	19.78	18.76	18.54	175	135	140	142
1433	TEXAS	NORTH CAROLINA	105000	0	87.91	1.67	24.00	14.74	19.29	18.87	18.49	162	124	127	129

TABLE 157

EARNINGS, RATES AND COSTS FOR MULTI-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

868	ZEE LA	CHICAGO IL	132200	100000	94.73	1.43	12.44	6.93	9.72	8.95	8.75	179	127	138	142

TABLE 158

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

72	MASSILLON OH	CLEVELAND OH	40000	36000	300.00	15.00	10.40	9.09	9.56	10.49	11.16	114	109	102	96
90	MASSILLON OH	CLEVELAND OH	40000	0	240.00	12.00	10.80	9.41	10.28	10.95	11.58	115	105	98	93
831	PIERMONT NY	EATON IN	40000	36000	89.39	4.02	33.40	25.13	28.41	32.65	30.91	132	117	102	108
853	PIERMONT NY	EATON IN	40000	36000	78.31	3.92	33.40	25.53	29.06	33.21	31.41	130	115	100	106

TABLE 159

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
205	COVINGTON	VA	RICHMOND	VA	75600	0	129.07	3.41	7.00	6.58	7.79	7.65	8.09	106	89	89	86
217	GROVETON	NH	CHICOPEE	MA	76000	0	217.52	5.72	12.42	6.63	8.55	8.42	8.68	187	145	147	143
222	GROVETON	NH	PEABODY	MA	77400	0	209.00	5.40	11.99	6.61	8.56	8.40	8.65	181	140	142	138
268	BRADFORD	MA	HUDSON	NY	76600	0	165.43	4.33	11.60	8.57	10.72	10.75	10.97	135	108	107	105
321	COVINGTON	VA	NEWARK	DE	67000	0	133.02	3.97	12.75	10.06	11.79	12.27	12.38	126	108	103	102
353	WILLIAMSPORT	PA	CLEVELAND	OH	80000	0	167.71	4.19	14.80	7.86	9.53	9.61	9.67	188	155	153	153
473	WILLIAMSPORT	PA	CLEVELAND	OH	80000	0	125.16	3.13	14.80	9.15	11.18	11.35	11.25	161	132	130	131
634	MONROE	MI	PHILADELPHIA	PA	74000	0	164.57	4.45	28.20	11.55	14.08	14.59	14.21	244	200	193	198
660	MONROE	MI	PHILADELPHIA	PA	74000	0	158.09	4.27	28.20	11.65	14.45	14.99	14.58	237	195	188	193
772	COVINGTON	VA	BATTLE CREEK	MI	74600	70000	88.86	2.38	18.39	14.26	17.37	18.06	17.55	128	105	101	104

TABLE 160

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
103	PHILADELPHIA	PA	BALTIMORE	MD	88000	0	293.48	6.67	6.87	5.81	6.86	6.79	7.15	118	99	101	96
220	WILLIAMSPORT	PA	BUFFALO	NY	100000	0	222.73	4.45	9.80	5.37	6.63	6.37	6.60	182	147	153	148
221	WILLIAMSPORT	PA	BUFFALO	NY	100000	0	221.72	4.43	9.80	5.37	6.64	6.38	6.61	182	147	153	148
345	WILLIAMSPORT	PA	RICHMOND	VA	86000	70000	184.46	4.29	14.80	8.40	10.20	10.21	10.36	176	145	145	143
377	FILER CITY	MI	NORTH CHICAGO	IL	90000	0	119.36	2.65	10.00	8.41	10.31	10.24	10.35	118	96	97	96
399	WILLIAMSPORT	PA	RICHMOND	VA	86000	0	159.50	3.71	14.80	8.98	10.92	10.94	11.02	165	135	135	134
418	PHILADELPHIA	PA	BUFFALO	NY	88000	0	155.79	3.54	14.80	8.98	11.00	10.99	11.05	164	134	134	133
467	PHILADELPHIA	PA	BUFFALO	NY	88000	0	139.44	3.17	14.80	9.47	11.65	11.65	11.65	156	127	127	126
470	FILER	MI	MIDDLETOWN	OH	94000	100000	95.76	1.91	9.00	8.60	10.78	10.52	10.57	104	83	85	85
622	WILLIAMSPORT	PA	RICHMOND	VA	86000	70000	102.32	2.38	14.80	11.25	13.67	14.07	13.96	131	106	105	106
624	FILER CITY	MI	SYRACUSE	NY	85600	90000	125.48	2.79	17.40	10.86	13.51	13.51	13.36	160	128	128	130
726	PHILADELPHIA	PA	INDIANAPOLIS	IN	88000	90000	121.49	2.70	19.60	11.87	14.65	14.80	14.40	165	132	131	136

TABLE 161

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
125	RED BANK	OH	INDIANAPOLIS	IN	106000	36000	517.28	9.76	12.20	4.28	5.25	4.96	5.28	285	232	246	231
153	RED BANK	OH	INDIANAPOLIS	IN	106000	0	422.61	7.97	12.20	4.53	5.50	5.29	5.57	269	218	230	219

TABLE 162

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
298	WATERVILLE ME	HOLYOKE MA	139800	100000	265.00	3.79	11.30	5.58	8.10	6.93	7.30	202	139	163	154
711	WATERVILLE ME	ALLENTOWN PA	129000	0	145.43	2.25	16.03	10.83	14.94	13.56	13.76	148	107	118	116

TABLE 163

ACTUAL WEIGHT GROUP: 140001 TO 160000 POUNDS

1252	WATERVILLE ME	GREENCASTLE IN	143000	0	161.05	2.25	28.20	13.32	18.62	16.67	16.66	211	151	169	169

TABLE 164

ORIGINATING IN SOUTHERN TERRITORY

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

261	KRANNERT GA	LISTERHILL AL	38000	36000	110.37	5.81	14.00	9.56	13.63	11.99	12.06	146	141	116	118
676	MORRISTOWN TN	LAPEER MI	36000	36000	66.17	3.79	25.60	21.67	24.26	28.32	26.99	118	105	90	94
677	KRANNERT GA	WINCHESTER VA	34000	36000	63.81	3.55	24.00	24.38	27.14	31.56	30.29	98	88	76	79
768	MEAD GA	LANCASTER OH	36000	36000	62.34	3.44	26.40	23.29	26.14	30.67	29.01	114	101	86	91

TABLE 165

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

557	SAVANNAH GA	DECATURILL AL	42000	36000	79.93	3.81	21.20	13.26	15.20	17.56	16.74	159	139	120	126
955	DEMOPOLIS AL	BALTIMORE MD	56000	50000	82.09	2.93	28.00	17.52	20.58	22.88	21.74	161	136	122	128

TABLE 166

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

991	E MOSS POINT MS	KANSAS CI., MO	69600	70000	92.53	2.64	26.20	12.99	16.11	17.29	16.39	201	162	151	159
1268	E MOSS POINT MS	MINNEAPOLIS MN	68200	70000	85.02	2.43	30.80	17.13	21.15	22.61	21.52	179	145	136	143
1395	PALATKA FL	CHICAGO IL	74000	70000	77.45	2.09	29.20	17.16	21.48	22.89	21.66	170	155	127	134

TABLE 167

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS)			% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS		
											TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)		TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
495	FERGUSON	MS	PENSACOLA	FL	99600	100000	98.99	1.98	9.80	7.89	9.92	9.72	9.90	124	98	100	99
557	SAVANNAH	GA	DECATUR	AL	94000	90000	126.57	2.69	15.00	7.03	8.97	8.95	8.87	213	167	167	169
846	FERGUSON	MS	JACKSONVILLE	FL	100000	100000	105.22	2.10	17.80	10.92	13.76	13.65	13.79	162	129	130	129
861	KRANNERT	GA	FT SMITH	AR	100000	90000	109.18	2.18	18.80	10.08	12.98	12.77	12.64	186	144	147	148
1089	MAHART	AL	CHICAGO	IL	90000	90000	85.95	1.91	20.80	12.37	15.87	16.15	15.61	168	131	128	133
1265	MAHART	AL	CHICAGO	IL	90000	90000	73.99	1.64	20.80	14.79	19.09	19.24	18.73	140	108	108	111
1336	LOUISIANA		MASSACHUSETTS		99800	100000	110.73	2.21	29.59	15.87	20.53	20.33	19.75	186	144	145	149
1686	MAHRT	AL	BOULDER	CO	90000	90000	77.31	1.72	29.00	19.44	25.03	25.17	24.54	149	115	115	118

TABLE 168

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

153	FERGUSON	MS	NEW ORLEANS	LA	102400	100000	246.68	4.82	7.37	3.55	4.39	4.22	4.48	207	167	174	164
165	MEAD	GA	KRANNERT	GA	120000	120000	259.46	4.32	8.00	3.69	4.61	4.33	4.65	217	173	184	171
224	LOUISIANA		MISSISSIPPI		113000	0	164.69	2.91	6.53	3.99	5.05	4.80	5.03	164	129	136	130
368	PLYMOUTH	NC	BALTIMORE	MD	106000	90000	175.71	3.32	12.20	6.66	8.37	8.08	8.24	183	145	150	148
405	SAVANNAH	GA	JAMESTOWN	NC	106000	90000	143.95	2.72	11.00	5.33	6.86	6.64	6.73	206	160	165	163
413	LOUISIANA		ALABAMA		104800	0	156.20	2.98	12.31	5.78	7.39	7.16	7.30	212	166	171	168
413	ARKANSAS		TENNESSEE		108800	0	160.62	2.95	12.19	5.63	7.23	6.97	7.10	216	168	174	171
454	KRANNERT	GA	MIDDLETON	OH	102000	90000	177.49	3.48	15.80	7.11	9.00	8.79	8.91	222	175	179	177
498	LOUISIANA		TENNESSEE		111600	0	161.43	2.89	14.42	6.21	8.06	7.76	7.83	232	178	186	184
567	LOUISIANA		GEORGIA		110400	0	147.88	2.68	15.19	6.36	8.33	8.03	8.03	238	182	189	189
634	DEMOPOLIS	AL	LUMBERTON	NC	118000	100000	147.60	2.42	15.81	7.25	9.56	9.10	9.15	218	165	173	172
656	ARKANSAS		GEOGIA		113200	0	130.09	2.30	15.09	7.39	9.70	9.32	9.33	204	155	161	161
789	MONTGOMERY	AL	INDIANAPOLIS	IN	108600	100000	111.63	2.06	16.22	9.35	12.16	11.80	11.72	173	133	137	138
941	MONTGOMERY	AL	DES PLAINES	IL	111200	100000	97.61	1.76	16.52	9.91	13.05	12.56	12.45	166	126	131	132
959	MONTGOMERY	AL	INDIANFIELD	MI	108600	100000	112.76	2.08	19.92	10.64	13.96	13.53	13.33	187	142	147	149
967	LOUISIANA		FLORIDA		107200	0	106.28	1.98	19.18	10.22	13.42	13.10	12.90	187	142	146	148
1361	CEDAR	GA	FALL RIVER	MA	112000	100000	104.56	1.87	25.41	16.80	21.42	20.77	21.00	151	118	122	120
1381	LOUISIANA		MARYLAND		100800	0	92.77	1.84	25.43	14.80	19.30	19.13	18.61	171	131	132	136
1495	MOBILE	AL	APPLETON	WI	110000	100000	85.15	1.55	23.15	16.21	20.83	20.25	20.36	142	111	114	113
1528	LOUISIANA		NEW YORK		104600	0	92.79	1.78	27.16	16.09	21.11	20.75	20.17	168	128	130	134
1556	LOUISIANA		NEW JERSEY		115800	0	94.63	1.63	25.38	15.21	20.31	19.49	19.07	166	124	130	133
1746	MONTGOMERY	AL	NEWTON	CT	104200	100000	73.76	1.42	24.72	18.04	23.74	23.32	22.44	137	104	105	110

TABLE 169

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
202	ARKANSAS	MISSISSIPPI	127800	0	243.10	3.80	7.70	3.48	4.46	4.15	4.40	221	171	185	175
1048	ARKANSAS	NORTH CAROLINA	127800	0	119.41	1.87	19.62	9.68	13.11	12.28	12.22	202	149	159	160
1180	LOUISIANA	WEST VIRGINIA	137200	0	133.44	1.95	22.96	10.18	13.99	12.89	12.85	225	164	178	178
1312	LOUISIANA	VIRGINIA	139000	0	115.30	1.66	21.78	11.02	15.21	13.97	13.91	197	143	155	156

TABLE 170

ORIGINATING IN WESTERN TERRITORY

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
536	TEXAS	ALABAMA	61000	0	106.41	3.49	17.47	10.50	12.43	13.32	13.17	168	142	132	134

TABLE 171

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
372	LOS ANGELES	CA	ARDEN	NV	81400	0	113.98	2.00	9.02	7.28	9.06	8.96	9.26	123	99	100	97
506	WALLULA	WA	DUDLEY	ID	97000	0	123.72	2.35	12.91	7.92	10.25	9.63	10.08	162	125	131	128
732	WALLULA	WA	SALT LAKE CITY	UT	91000	0	147.96	3.25	25.80	11.29	16.44	14.17	16.36	210	164	167	163
890	TEXAS		KANSASIS		99200	100000	114.92	2.30	20.46	10.91	15.96	13.66	13.60	187	146	149	150
1530	ARKANSAS		NEW JERSEY		98600	100000	85.71	1.71	26.23	18.12	23.46	23.20	22.50	144	111	113	116

TABLE 173

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
150	ARKANSAS	MISSOURI	102000	0	325.18	6.38	9.62	6.19	5.17	4.91	5.22	229	185	195	184
249	SPRINGFIELD OR	[illegible] WA	116000	80000	256.95	4.02	10.00	5.78	7.41	6.80	7.25	175	134	147	137
265	OKLAHOMA	ARKANSAS	116000	0	191.80	3.31	8.78	6.72	6.02	5.62	5.88	186	145	156	149
360	OKLAHOMA	TEXAS	111400	0	135.97	2.41	8.33	5.56	7.07	6.60	6.90	150	117	126	120
432	SPRINGFIELD OR	UNION GAP WA	114000	80000	179.46	3.15	13.60	7.26	9.52	8.85	9.24	167	142	153	147
436	LOUISIANA	TEXAS	118000	0	160.13	2.38	10.36	6.03	7.82	7.31	7.57	171	132	141	137
462	SCHILLING MT	BURLEY ID	104000	0	176.67	3.33	15.40	7.91	10.26	9.89	10.07	196	150	156	152
537	OKLAHOMA	TENNESSEE	113000	0	141.39	2.50	13.44	6.83	8.83	8.39	8.56	196	152	160	157
537	OKLAHOMA	MISSOURI 1	112400	0	124.44	2.22	11.91	7.09	9.15	8.68	8.83	168	130	137	136
537	OKLAHOMA	KANSAS	110400	0	156.42	2.79	15.00	7.17	9.24	8.79	8.96	209	162	170	167
560	OKLAHOMA	LOUISIANA	109600	0	152.20	2.78	15.04	7.26	9.33	8.90	9.05	207	161	168	166
[illegible]	LOUISIANA	MISSOURI	108000	0	134.18	2.52	15.28	7.89	10.15	9.72	9.83	193	150	157	155
644	TEXAS	OKLAHOMA	107000	0	134.89	2.52	16.25	8.27	10.66	10.22	10.31	196	152	159	157
676	LOUISIANA	ILLINOIS	111200	0	150.02	2.76	18.25	8.31	10.76	10.26	10.36	219	169	177	176
736	LOUISIANA	KANSAS	109320	0	127.96	2.34	17.20	8.91	11.53	11.03	11.10	193	149	155	154
746	ANTIOCH CA	PHOENIX AZ	115000	110000	124.87	2.17	16.20	8.85	11.89	11.23	11.26	183	136	144	143
750	ARKANSAS	INDIANA	112200	0	132.76	2.37	18.00	9.68	12.50	11.93	11.95	186	143	150	150
765	ARKANSAS	ILLINOIS	110800	0	116.36	2.10	16.07	9.08	11.78	11.25	11.31	176	136	142	142
767	LONGVIEW WA	SAN FRANCISCO CA	110000	0	134.59	2.45	18.77	10.10	13.36	12.57	12.65	185	140	149	146
771	MILLERSBURG OR	TWIN FALLS ID	115000	0	166.17	2.56	19.60	9.82	13.04	12.19	12.49	199	149	160	156
774	COLUMBIA JCT WA	SAN FRANCISCO CA	111000	0	155.37	2.40	18.60	10.87	14.16	13.34	13.63	171	131	139	136
808	LOUISIANA	ARKANSAS	106400	0	75.95	1.43	11.54	9.72	12.55	12.09	12.12	118	91	95	95
856	ARKANSAS	OHIO	108600	0	114.44	2.11	17.61	9.96	12.97	12.53	12.45	176	135	140	141
859	LOUISIANA	OHIO	111200	0	117.98	2.12	18.25	9.45	12.38	11.91	11.86	193	147	153	153
865	OKLAHOMA	ILLINOIS	119600	0	124.10	2.08	17.97	9.40	12.36	11.66	11.72	191	145	154	153
1029	TEXAS	ILLINOIS	100600	0	103.45	2.04	21.10	12.11	15.55	15.21	15.09	174	136	139	140
1074	LEWISTON ID	SAN FRANCISCO CA	109000	0	103.52	1.90	20.40	13.39	17.50	16.67	17.04	152	116	122	119
1117	TEXAS	OHIO	101000	0	109.31	2.16	24.19	14.12	18.13	17.78	17.47	171	133	136	138
1117	OKLAHOMA	MICHIGAN	118200	0	107.66	1.82	20.35	12.06	15.91	15.04	14.99	168	127	135	135
1161	LONGVIEW WA	LOS ANGELES CA	110000	80000	122.58	2.23	25.43	13.04	17.43	16.45	16.60	196	145	154	153
1166	COLUMBIA JCT WA	LOS ANGELES CA	111000	0	121.83	2.20	25.20	13.00	18.21	17.20	17.56	192	138	146	143
1167	LOUISIANA	MINNESOTA	113200	0	109.85	1.87	22.12	12.40	16.27	15.52	15.45	176	135	142	143
1371	LOUISIANA	PENNSYLVANIA	106800	0	100.31	1.88	25.76	14.07	18.65	17.95	17.64	183	139	143	146
1399	ARKANSAS	PENNSYLVANIA	116400	0	104.64	1.80	25.16	15.01	19.92	19.01	18.65	167	126	132	134
1452	ARKANSAS	NEW YORK	120000	0	102.08	1.70	24.36	15.02	20.03	18.98	18.64	162	121	128	130
[illegible]	LEWISTON ID	LOS ANGELES CA	109000	0	101.04	1.85	26.86	16.36	21.86	20.57	20.91	164	123	130	128
[illegible]	ARKANSAS	MASSACHUSETTS	110400	0	90.74	1.63	28.39	18.99	25.02	24.21	23.98	149	113	117	[illegible]
[illegible]	OKLAHOMA	CALIFORNIA	105400	0	78.96	1.48	30.20	24.37	32.46	31.27	[illegible]	147	[illegible]	[illegible]	[illegible]

TABLE 175

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
328	ARKANSAS	LOUISIANA	120600	0	200.94	3.33	10.96	5.06	6.56	6.09	6.33	215	166	179	173
392	LEWISTON ID	SEATTLE WA	132000	80000	215.51	3.27	12.80	6.24	8.38	7.53	7.94	205	152	170	161
590	ARKANSAS	KANSAS	129400	0	159.56	2.47	14.57	6.82	9.03	8.31	8.49	213	161	175	171
591	SPRINGFIELD OR	SAN FRANCISCO CA	124000	0	178.34	2.88	17.00	7.27	9.86	8.96	9.25	233	172	189	183
611	OKLAHOMA	MISSISSIPPI	131400	0	151.39	2.30	14.10	6.71	8.91	8.20	8.38	210	158	171	168
682	SNOWFLAKE AZ	SANTA FE SPRING CA	122000	115000	114.26	1.87	12.48	8.61	11.56	10.61	10.96	143	107	116	113
697	ARKANSAS	TEXAS	123000	0	169.95	2.76	19.27	7.90	10.61	9.70	9.84	243	185	198	195
700	ARKANSAS	KENTUCKY	132400	0	136.87	2.07	14.49	7.19	9.68	8.94	9.04	201	149	162	160
744	STOCKTON CA	APEX NV	123600	0	134.23	2.20	16.40	9.14	12.33	11.29	11.63	179	132	165	161
759	OKLAHOMA	NEBRASKA	120800	0	133.20	2.21	16.75	8.49	11.18	10.47	10.58	197	149	159	158
797	TACOMA WA	HEYBURN ID	124000	0	130.87	2.08	16.36	8.49	11.89	10.80	11.06	190	139	155	169
862	ARKANSAS	IOWA	127600	0	142.78	2.24	19.30	8.96	11.94	11.05	11.17	215	161	174	172
869	OKLAHOMA	GEORGIA	120200	0	120.44	2.00	17.82	9.21	12.22	11.54	11.35	193	165	154	154
889	OKLAHOMA	IOWA	139800	0	143.78	2.06	18.29	8.42	11.67	10.58	10.74	212	156	172	170
903	ARKANSAS	MICHIGAN	121400	0	123.27	2.03	16.34	10.16	13.39	12.57	12.61	188	136	165	165
966	SPRINGFIELD OR	LOS ANGELES CA	124000	0	146.64	2.37	22.88	10.01	13.71	12.52	12.74	227	166	187	176
965	OKLAHOMA	FLORIDA	131000	0	143.50	2.19	21.58	9.40	12.68	11.74	11.79	229	170	183	183
985	LOUISIANA	WISCONSIN	126600	0	136.05	2.15	21.17	9.96	13.27	12.33	12.41	212	159	171	170
1053	ARKANSAS	MINNESOTA	125600	0	118.60	1.89	19.89	10.53	14.04	13.07	13.13	188	141	152	151
1072	LOUISIANA	MICHIGAN	129200	0	120.11	1.86	19.95	11.02	14.73	13.64	13.68	180	135	144	145
1078	OKLAHOMA	OHIO	120800	0	126.34	2.09	22.56	11.95	13.77	14.83	14.78	169	143	151	152
1111	OKLAHOMA	MINNESOTA	120400	0	123.16	2.05	22.74	11.31	14.98	14.09	14.10	201	151	161	161
1127	OKLAHOMA	WISCONSIN	125200	0	114.37	1.83	20.61	11.14	14.66	13.84	13.68	185	138	148	148
1355	ANTIOCH CA	EL PASO TX	128000	120000	107.69	1.68	22.80	12.43	17.50	15.90	16.07	180	130	143	141
1728	OKLAHOMA	NEW JERSEY	121200	0	97.07	1.60	27.68	18.11	24.12	22.78	22.37	152	114	121	123
2129	ARKANSAS	CALIFORNIA	126400	0	104.36	1.65	35.16	19.13	26.24	24.18	24.17	183	133	145	145
2235	LOUISIANA	CALIFORNIA	126799	0	101.28	1.57	35.16	19.71	27.15	24.90	24.91	178	129	141	141

TABLE 176

ACTUAL WEIGHT GROUP: 140001 TO 160000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
754	LOUISIANA	INDIANA	140600	0	152.96	2.18	16.42	8.19	11.03	10.00	10.15	200	148	166	161
2048	OKLAHOMA	MAINE	140800	0	97.96	1.39	28.51	19.26	26.41	24.07	23.81	148	107	118	119

TABLE I/5

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26400: CONVERTED PAPER OR PAPERBOARD

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
98	CHESTER PA	BALTIMORE MD	32000	36000	227.76	12.65	12.40	13.09	14.13	15.33	16.10	94	87	80	77
150	CHESTER PA	WASHINGTON DC	32000	36000	160.80	8.93	13.40	14.11	15.32	16.79	17.36	94	87	79	77
175	BRATTLEBORO VT	MAMARONECK NY	39600	39500	185.09	9.35	16.36	12.63	14.14	15.48	16.08	129	115	105	102
186	WINSLOW ME	NORTH BILLERICA MA	37000	36000	123.33	6.67	12.40	13.21	15.13	16.90	17.29	93	81	73	71
223	FORT EDWARD NY	SOMERVILLE MA	36000	0	132.38	7.35	16.40	15.35	17.27	19.44	19.61	106	94	84	83
236	MEHOOPANY PA	BUFFALO NY	28000	36000	124.62	6.92	16.20	13.23	14.56	16.14	16.26	122	111	100	99
242	MEHOOPANY PA	BALTIMORE MD	36000	36000	121.88	6.77	16.38	15.03	17.42	19.38	19.60	102	94	84	83
272	WINSLOW ME	READVILLE MA	37600	36000	98.15	5.22	14.28	17.73	20.07	22.63	22.74	80	70	62	62
275	MEHOOPANY PA	BALTIMORE MD	36000	36000	107.18	5.95	16.36	19.11	20.69	22.83	23.50	85	79	71	69
308	CHEBOYGAN MI	DETROIT MI	36000	36000	110.39	6.13	18.89	17.24	18.92	21.23	21.20	109	99	88	89
369	CHEBOYGAN MI	DETROIT MI	36000	0	92.14	5.12	18.89	18.42	20.30	22.93	22.66	102	93	82	83
380	FORT EDWARD NY	BUFFALO NY	36000	0	91.89	5.11	19.40	18.66	20.57	23.25	22.95	103	94	83	84
385	WINSLOW ME	FORT EDWARD NY	35000	36000	95.45	5.30	20.42	21.25	24.20	27.84	27.34	96	84	73	74
387	FORT EDWARD NY	BUFFALO NY	36000	0	90.23	5.01	19.40	18.80	20.73	23.45	23.17	103	93	82	83
396	FORT EDWARD NY	CHESTER PA	29000	36000	69.57	3.87	15.31	21.58	23.45	26.23	26.45	71	65	58	57
420	MEHOOPANY PA	CLEVELAND OH	36000	36000	92.57	5.16	21.60	19.45	21.48	24.38	23.93	111	100	88	90
428	CHESTER PA	PITTSBURG PA	32000	36000	87.48	4.86	20.80	22.13	24.18	27.13	27.22	93	86	76	76
472	FORT EDWARD NY	CHESTER PA	29000	36000	58.37	3.24	15.31	20.48	22.66	25.84	25.19	74	67	59	60
479	RICHMOND VA	PITTSBURG PA	33000	36000	79.67	4.43	21.20	20.62	22.62	26.04	25.36	102	92	81	83
482	BERLIN NH	NEW BRUNSWICK NJ	36000	0	86.64	4.81	23.20	21.00	23.97	27.76	26.78	110	96	83	86
561	FORT EDWARD NY	BUFFALO NY	36000	0	62.25	3.46	19.40	22.24	24.69	28.34	27.36	87	78	68	70
640	MEHOOPANY PA	WINSTON-SALEM NC	36000	36000	71.44	3.97	25.40	28.84	31.56	35.61	35.48	88	80	71	71
681	CHESTER PA	NORFOLK VA	32000	36000	47.58	2.64	18.00	27.13	29.95	34.24	33.38	66	60	52	53
734	MEHOOPANY PA	CHARLOTTE NC	28000	36000	67.57	3.75	27.56	27.92	31.00	36.00	34.67	98	88	76	79
754	DETROIT MI	MEMPHIS TN	36000	0	66.37	3.69	27.80	22.73	25.52	29.95	28.37	122	108	92	98
761	MEHOOPANY PA	NORFOLK VA	28000	36000	51.09	2.84	21.60	31.23	34.30	39.01	38.42	69	62	55	56
761	DETROIT MI	MEMPHIS TN	36000	36000	65.76	3.65	27.80	22.86	25.67	30.14	28.53	121	108	92	97
838	DETROIT MI	MEMPHIS TN	36000	0	59.71	3.32	27.80	24.09	27.10	31.96	30.08	115	102	86	92
874	DETROIT MI	MEMPHIS TN	36000	36000	57.25	3.18	27.80	24.67	27.78	32.81	30.81	112	100	84	90
971	PLATTSBURGH NY	CHARLOTTE NC	36000	0	68.59	3.81	37.00	29.95	33.59	39.52	37.19	123	110	93	99
1007	DETROIT MI	MOBILE AL	34000	0	62.56	3.68	37.06	28.20	31.68	37.92	35.26	131	116	97	105
1007	DETROIT MI	MOBILE AL	32000	0	62.56	3.91	39.38	29.75	33.23	40.08	37.19	132	118	98	105
1044	PLATTSBURGH NY	CHARLOTTE NC	36000	0	63.79	3.54	37.00	34.05	38.08	44.72	42.21	108	97	82	87
1052	DETROIT MI	MOBILE AL	34000	36000	59.89	3.33	35.00	27.57	31.17	37.10	34.67	126	112	94	101
1052	DETROIT MI	MOBILE AL	32000	36000	59.89	3.33	35.00	27.57	31.17	37.10	34.67	126	112	94	101
1052	DETROIT MI	MOBILE AL	40000	36000	66.56	3.33	35.00	25.17	26.77	33.75	31.67	139	121	103	111
[illegible]	DETROIT MI	JACKSONVILLE FL	[illegible]	0	60.84	3.38	[illegible]	29.44	33.44	39.67	37.13	121	108	91	97
[illegible]	DETROIT MI	JACKSONVILLE FL	[illegible]	36000	59.08	3.28	[illegible]	28.40	32.14	36.32	35.52	127	112	94	101
1110	CARTHAGE NY	SAVANNAH GA	38000	36000	61.96	3.26	36.20	28.06	31.90	[illegible]	34.56	[illegible]	113	96	[illegible]
1121	CARTHAGE NY	SAVANNAH GA	38000	36000	61.41	3.23	36.20	30.97	35.03	[illegible]	[illegible]	116	103	87	[illegible]
[illegible]	CARTHAGE NY	SAVANNAH GA	38000	0	58.40	3.08	36.20	32.06	36.27	[illegible]	[illegible]	[illegible]	99	86	[illegible]
1194	DETROIT MI	MOBILE AL	40000	0	58.63	2.93	35.00	28.19	32.20	37.90	[illegible]	[illegible]	109	92	[illegible]
1203	CARTHAGE NY	SAVANNAH GA	36000	0	57.17	3.01	36.20	29.67	33.78	39.91	[illegible]	122	107	91	[illegible]
1208	BERLIN NH	COLUMBIA SC	35800	36000	56.83	3.05	36.80	39.95	45.34	53.67	50.33	92	81	68	73
1333	DETROIT MI	MOBILE AL	40000	36000	52.51	2.63	35.00	30.21	34.65	40.88	37.67	115	100	85	93
1340	CARTHAGE NY	JACKSONVILLE FL	38000	0	56.73	2.88	38.60	31.80	36.28	43.11	39.64	121	106	89	97
1510	CARTHAGE NY	JACKSONVILLE FL	36000	36000	46.57	2.56	38.60	34.26	39.19	46.78	42.78	112	98	82	90
1646	CARTHAGE NY	MIAMI FL	38000	36000	52.64	2.77	45.60	38.08	43.49	51.91	47.61	119	104	87	95
1682	PLATTSBURGH NY	MIAMI FL	36000	0	51.56	2.87	48.20	46.19	52.07	62.11	57.53	104	92	77	83
1686	CARTHAGE NY	MIAMI FL	38000	0	51.39	2.70	45.60	38.87	44.61	53.02	48.57	117	102	86	93
1723	PLATTSBURGH NY	MIAMI FL	36000	0	50.35	2.80	48.20	45.06	50.92	60.96	56.06	107	94	79	85
1823	DETROIT MI	MIAMI FL	30000	0	42.46	2.83	51.60	52.38	58.42	71.95	65.19	98	88	71	79
1871	DETROIT MI	MIAMI FL	36000	36000	41.37	2.30	43.00	47.03	53.30	66.00	58.63	91	80	65	73
1930	PLATTSBURGH NY	MIAMI FL	36000	0	44.95	2.50	48.20	47.20	53.66	64.59	59.07	101	89	74	81

TABLE 276

CARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26400: CONVERTED PAPER OR PAPERBOARD

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
86	HUNTINGTON	WV	HEAD VALLEY	NJ	56900	0	223.18	7.84	6.75	8.37	9.38	9.73	10.38	80	71	69	65

TABLE 277

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
349	RICHMOND	VA	NEW YORK	NY	70000	0	156.45	4.47	15.60	10.03	11.84	12.25	12.33	155	131	127	126
359	HUNTINGTON	WV	ALTOONA	PA	69440	0	116.87	3.37	12.08	10.21	12.05	12.50	12.56	118	100	96	96
393	HUNTINGTON	WV	PORTLAND	ME	69300	72040	124.68	3.44	13.60	11.74	14.44	14.83	14.90	115	94	91	91
419	RICHMOND	VA	MAMARONECK	NY	62600	0	129.98	4.15	17.40	11.92	13.95	14.75	14.67	145	124	117	118
613	RICHMOND	VA	BUFFALORG	NY	70000	0	115.33	3.30	20.20	13.14	15.75	16.50	16.16	153	128	122	125
878	RICHMOND	VA	BUFFALO	NY	70000	0	80.52	2.30	20.20	16.26	19.68	20.74	20.00	124	102	97	101

TABLE 278

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
349	RICHMOND	VA	NEW YORK	NY	80600	0	180.16	4.47	15.60	8.91	10.72	10.84	10.96	175	145	143	142

TABLE 279

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
349	RICHMOND	VA	NEW YORK	NY	109000	0	168.96	3.10	10.82	6.99	8.80	8.42	8.59	154	122	128	125

TABLE [illegible]

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26400: CONVERTED PAPER OR PAPERBOARD

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS)			% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS		
											TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)		TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
55	MIAMI	FL	POMPANO BEACH	FL	24000	24000	320.80	26.67	9.33	9.57	10.09	11.04	12.08	97	92	86	77
74	UNION	MS	MANEOLA	AL	36000	36000	205.08	11.28	8.88	9.22	9.96	10.85	11.44	95	88	81	75
140	MOBILE	AL	NEW ORLEANS	LA	34340	36000	169.14	8.29	11.60	8.39	9.19	10.18	10.59	138	126	113	109
170	CHAPCOA	GA	MONTGOMERY	AL	36000	36000	122.82	6.82	11.60	8.88	9.76	10.90	11.21	130	118	106	103
212	MEMPHIS	TN	JACKSON	MS	28000	24000	140.27	10.38	21.85	11.70	12.70	14.64	14.77	186	171	149	147
296	CANTONMENT	FL	ANNISTON	AL	36720	36000	103.68	5.65	16.60	10.70	11.92	13.62	13.50	155	139	122	122
310	MEMPHIS	TN	EVANSVILLE	IN	26000	26000	101.42	8.18	25.35	15.60	16.87	20.11	19.70	162	150	126	128
313	MEMPHIS	TN	ST LOUIS	MO	24000	24000	103.31	8.40	26.20	15.79	17.06	20.34	19.93	166	154	129	131
313	MEMPHIS	TN	ST LOUIS	MO	30200	36000	95.44	5.30	16.60	11.99	12.47	14.32	14.13	138	133	115	117
335	PALATKA	FL	COLUMBIA	SC	36000	36000	93.43	5.19	17.30	11.53	12.88	14.85	14.58	150	134	117	119
350	BEECH ISLAND	SC	HENDERSON	NC	24000	24000	42.57	3.55	12.42	16.99	18.37	22.11	21.45	73	67	56	58
372	MEMPHIS	TN	VINCENNES	IN	31160	24000	115.51	7.41	27.58	17.97	19.01	21.72	22.10	156	145	126	124
379	MEMPHIS	TN	EL DORADO	IL	24000	24000	81.06	6.75	25.60	22.95	24.62	29.19	28.69	111	103	87	89
386	MEMPHIS	TN	CHAMPAIGN	IL	[illegible]	24000	110.39	7.96	30.23	15.44	16.92	20.19	19.52	195	178	149	156
389	MEMPHIS	TN	LOUISVILLE	KY	27200	24000	100.91	7.42	28.86	15.96	17.44	20.67	20.14	180	165	138	143
416	ROCKINGHAM	NC	VALDOSTA	GA	36000	36000	71.95	4.00	16.39	12.76	14.30	16.64	16.11	128	116	98	101
421	CANTONMENT	FL	TUCKER	GA	36000	36000	79.52	4.42	18.60	18.79	20.47	23.07	23.72	96	90	80	78
422	MOBILE	AL	MEMPHIS	TN	32900	36000	88.16	4.79	20.20	12.98	14.53	16.93	16.36	155	130	119	123
433	MEMPHIS	TN	DALE	IN	25200	24000	80.96	6.43	27.95	20.73	22.44	27.00	26.16	134	124	103	106
445	BEECH ISLAND	SC	TAMPA	FL	24000	24000	51.91	4.33	19.25	19.16	23.74	25.38	24.19	100	82	75	79
450	BEECH ISLAND	SC	EASTPOINT	AL	36000	36000	66.44	3.69	16.61	13.41	15.06	17.60	16.93	123	110	94	98
473	MEMPHIS	TN	LEXINGTON	KY	26200	24000	68.44	6.75	31.94	23.40	25.50	30.18	29.76	136	125	105	108
500	MEMPHIS	TN	CHICAGO	IL	31600	36000	84.44	4.88	24.40	14.35	16.16	18.99	18.11	170	151	128	134
510	CHARLOTTE	NC	ALBANY	GA	24000	24000	60.98	5.08	25.92	20.64	22.46	27.62	26.96	125	115	93	96
515	NATCHEZ	MS	ATLANTA	GA	38600	36000	91.46	4.76	24.41	15.32	17.26	20.00	19.35	159	141	122	126
525	CHAPCO	GA	OPA-LOCKA	FL	24000	24000	74.10	6.17	32.42	20.90	22.66	28.14	26.49	154	141	115	122
529	PALATKA	FL	GREENVILLE	SC	40000	36000	80.38	4.02	21.20	13.40	15.26	17.71	16.91	158	138	119	125
571	SMYTH	NC	MEMPHIS	TN	36000	36000	64.52	4.45	25.40	14.67	16.65	19.52	18.57	173	152	130	137
581	MOBILE	AL	SULPHUR SPRINGS	TX	24000	24000	77.03	5.75	33.40	30.98	33.12	38.13	38.78	107	100	87	86
605	BEECH ISLAND	SC	HALETHORPE	MD	24000	24000	65.79	5.48	33.17	32.52	35.02	42.22	40.56	101	94	78	81
606	ROCKINGHAM	NC	JERSEY CITY	NJ	24000	24000	58.91	4.91	29.75	37.32	39.00	47.21	41.67	79	76	63	71
636	MEMPHIS	TN	KANSAS CITY	MO	26200	24000	72.78	5.16	32.93	20.30	22.55	27.59	25.76	161	146	119	127
641	MEMPHIS	TN	HOUSTON	TX	32000	36000	70.76	3.93	25.20	19.27	21.54	25.17	24.18	130	116	100	104
663	MOBILE	AL	LOUISVILLE	KY	36240	36000	75.00	4.16	27.61	16.83	19.07	22.65	21.24	164	144	121	129
694	MEMPHIS	TN	NEENAH	WI	30400	36000	78.20	4.00	27.75	18.56	21.07	24.30	23.30	149	132	113	119
696	MEMPHIS	TN	NEENAH	WI	36200	36000	117.34	6.48	44.99	19.97	22.45	26.32	25.09	225	200	170	179
[illegible]	BEECH ISLAND	SC	WOODLAWN	MD	24000	[illegible]	49.10	5.10	36.00	38.24	41.18	49.74	47.66	94	87	72	75
[illegible]	[illegible]	TN	BEECH ISLAND	SC	31400	[illegible]	81.19	5.17	36.87	22.00	26.67	29.50	27.77	167	[illegible]	[illegible]	[illegible]
715	MEMPHIS	TN	BEECH ISLAND	SC	33000	[illegible]	92.59	5.59	40.00	21.09	23.57	28.24	26.62	[illegible]	[illegible]	[illegible]	[illegible]
748	MOBILE	AL	JACKSONVILLE	FL	36000	36000	54.39	3.02	22.60	10.23	20.70	26.73	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
750	MOBILE(KS)	AL	FT JACKSON	SC	24700	24000	59.26	4.80	36.00	37.49	39.97	47.36	47.29	[illegible]	[illegible]	[illegible]	[illegible]
775	MEMPHIS	TN	DETROIT	MI	30000	24000	76.57	5.10	39.56	27.12	27.98	[illegible]	[illegible]	146	[illegible]	[illegible]	[illegible]
834	BIRMINGHAM	AL	NEENAH	WI	26000	24000	88.96	6.23	51.92	50.57	62.64	69.91	60.73	157	[illegible]	[illegible]	[illegible]
835	JACKSONVILLE	FL	BALTIMORE	MD	36000	36000	57.01	3.17	26.64	26.15	29.28	36.60	32.08	101	90	76	88
837	MOBILE	AL	HOUSTON	TX	36000	36000	60.00	2.71	22.60	23.79	26.93	31.62	30.14	95	84	72	75
845	MOBILE	AL	HOUSTON	TX	36000	36000	60.57	2.70	22.70	22.63	25.50	30.04	28.79	100	89	75	80
855	MEMPHIS	TN	HUTCHISON	KS	26400	24000	65.70	4.63	39.56	29.37	32.51	39.40	37.15	134	121	100	106
866	NATCHEZ	MS	MORRIS	IL	33000	36000	64.02	3.56	30.80	22.78	25.74	30.50	28.06	135	119	100	107
949	FRANKLIN	KY	DELAIR	NJ	36000	36000	64.24	3.37	32.00	26.85	30.29	35.59	33.31	122	106	92	98
928	MOBILE	AL	CUSHING	OK	24000	24000	54.83	4.57	42.40	52.21	55.61	64.94	65.72	81	76	65	64
963	MOBILE	AL	FT WAYNE	IN	34540	36000	62.61	3.48	32.80	25.47	28.06	34.04	33.02	129	114	96	105
965	SMYTH	NC	NEENAH	WI	38000	36000	66.35	3.49	33.60	25.70	29.27	34.28	32.62	128	112	96	101
977	NATCHEZ	MS	MARIETTA	OH	35200	36000	56.75	3.15	30.80	28.67	30.19	35.67	33.20	115	102	86	92
1003	BEECH ISLAND	SC	TEXARKANA	TX	24000	24000	53.64	4.47	44.83	38.78	42.25	52.30	48.74	115	106	85	91
1006	SMYTH	NC	CHICAGO	IL	40000	36000	55.56	2.78	28.00	22.98	25.64	30.32	28.00	126	109	92	99
1012	BEECH ISLAND	SC	BUFFALO	NY	24000	24000	50.70	4.98	50.42	43.99	47.64	58.00	54.57	114	105	85	92
1017	MOBILE	AL	DETROIT	MI	36000	36000	61.60	3.42	34.80	26.99	30.49	36.75	33.74	129	114	96	103
1036	JACKSONVILLE	FL	LODI	NJ	36000	36000	51.03	2.89	29.89	32.50	36.62	42.97	40.56	91	81	69	73
1050	MEMPHIS	TN	WASHINGTON	DC	26000	24000	65.82	5.07	53.20	38.62	42.31	52.11	47.96	137	125	102	110
1132	MOBILE	AL	DEARBORN	MI	38000	36000	50.83	3.10	35.05	27.53	31.35	37.16	34.64	127	111	94	101
1153	AVONDALE	GA	WORCESTER	MA	36000	36000	58.07	3.23	37.20	29.76	33.67	40.14	37.11	125	110	92	100
1225	TUSCALOOSA	AL	LIBERAL	KS	37800	36000	54.05	2.66	33.19	27.62	31.52	37.65	34.69	120	111	93	100
1226	PALATKA	FL	ELIZABETH	NJ	36000	36000	51.97	2.89	35.40	33.23	39.73	47.01	44.72	106	89	75	80
1255	MOBILE	AL	BAY CITY	MI	24000	24000	69.36	4.11	51.60	44.51	[illegible]	61.70	55.65	115	106	84	92
1257	PALATKA	FL	CHELSEA	MA	36000	36000	45.58	2.53	31.83	36.33	41.29	48.56	45.35	88	77	65	70
1304	MEMPHIS	TN	NEW MILFORD	CT	29500	24000	70.58	4.79	62.40	40.00	44.60	56.41	49.69	155	140	114	129
1365	MOBILE	AL	[illegible] RIVER	NY	37520	36000	55.05	2.83	38.60	35.99	43.04	48.76	46.69	107	90	80	85
1441	MEMPHIS	TN	NEW MILFORD	CT	37600	36000	51.05	2.72	39.30	35.07	39.76	47.29	43.30	112	99	83	90
1445	MEMPHIS	TN	NEW MILFORD	CT	38000	36000	52.90	2.73	39.22	33.95	37.62	45.54	42.15	115	104	85	93
1446	MEMPHIS	TN	NEW MILFORD	CT	31000	36000	76.04	4.33	62.64	36.20	41.07	49.13	46.95	172	151	127	136
1523	MOBILE	AL	GREEN BAY	WI	40000	36000	46.75	2.34	35.66	36.26	41.52	49.33	46.75	99	85	73	76
1722	NATCHEZ	MS	[illegible]	PA	36600	36000	36.59	1.91	32.87	50.55	44.37	52.69	47.44	65	74	62	68
1932	BEECH ISLAND	SC	EL PASO	TX	24000	24000	44.57	3.70	71.50	60.94	67.74	84.72	76.77	117	107	84	93

TABLE 101

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26400: CONVERTED PAPER OR PAPERBOARD

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
257	BROOKLEY	AL	HAMILTON	MS	43600	50000	126.46	5.04	13.00	9.49	10.80	11.74	11.93	136	120	110	108
276	BROOKLEY	AL	AVERY ISLAND	LA	44720	36000	120.84	5.03	14.20	11.92	13.47	14.78	15.11	135	120	109	107
464	BROOKLEY	AL	MACON	GA	52400	50000	99.91	3.81	17.77	11.19	13.00	14.36	14.13	158	136	123	125
499	TUSCALOOSA	AL	ST LOUIS	MO	55800	50000	116.33	4.17	20.81	9.81	11.59	12.76	12.39	212	179	163	167
518	CANTONMENT	FL	RUSSELLVILLE	KY	50100	50000	104.46	4.17	21.60	14.05	15.88	17.43	17.73	153	136	123	121
613	TUSCALOOSA	AL	DECATUR	IL	54200	50000	95.33	3.52	21.61	13.96	16.29	17.95	17.44	154	132	120	123
628	BROOKELY	AL	LITTLE ROCK	AR	56040	50000	86.70	3.12	19.60	12.95	15.20	16.52	16.20	151	128	118	120
675	ARKANSAS		GEORGIA		58000	0	92.71	3.20	21.58	12.48	14.84	16.33	15.76	172	145	132	136
898	MOBILE	AL	COLUMBUS	OH	49400	50000	81.29	3.23	29.20	24.24	27.37	30.17	30.38	120	106	96	96
922	TUSCALOOSA	AL	LOUISA	IA	53600	50000	79.57	2.97	27.37	16.98	20.07	22.43	21.34	161	136	122	128
995	CLYATTVILLE	GA	WYANDOTTE	MI	52000	50000	80.48	3.10	30.80	20.60	24.15	27.10	25.77	149	127	113	119
1032	PALATKA	FL	CARLSTADT	NJ	50000	50000	65.02	2.60	26.04	24.35	28.24	31.81	30.34	110	95	84	88
1036	PALATKA	FL	BRONX	NY	50000	50000	60.81	2.43	25.20	22.68	26.42	29.23	28.29	111	95	84	89
1050	PALATKA	FL	BALTIMORE	MD	50000	50000	66.19	2.65	27.80	24.29	27.61	31.06	30.52	114	99	89	91
1096	CANTONMENT	FL	HOLLAND	MI	40400	36000	64.51	3.19	35.00	25.85	29.59	34.68	32.29	135	118	100	108
1152	PALATKA E	FL	SPRINGFIELD	MA	50000	50000	69.32	2.78	32.20	24.53	28.64	32.41	30.56	131	112	99	105
1203	HOLT	AL	ST CLOUD	MN	46500	50000	68.58	2.74	33.00	29.86	34.03	37.51	37.83	110	96	87	87
1262	MOBILE	AL	EDDYSTONE	PA	46400	50000	67.75	2.71	34.20	26.51	33.94	35.96	33.17	128	110	97	103
1284	BROOKLEY	AL	BARBERTON	OH	50600	50000	61.43	2.43	31.18	24.45	28.80	32.66	30.45	127	108	95	102
1446	BROOKLEY	AL	TEXAS	MD	52800	50000	59.42	2.25	32.55	25.97	33.81	34.76	32.30	125	105	93	100
1449	BROOKLEY	AL	EDGE MOOR	DE	45640	50000	58.32	2.33	33.80	26.86	31.67	36.10	33.47	125	106	93	100
1570	BROOKLEY	AL	ALBANY	NY	57300	50000	67.52	2.36	37.08	27.30	32.63	36.29	33.96	135	113	101	108

TABLE 102

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
261	HOLT	AL	NASHVILLE	TN	67620	70000	150.24	4.52	11.80	7.16	9.27	8.54	9.01	165	142	138	130
321	SAVANNAH	GA	CHARLOTTE	NC	70000	70000	111.21	3.18	10.20	7.36	8.63	8.98	9.26	139	118	113	110
380	PALATKA	FL	EAST POINT	GA	64000	50000	122.95	3.84	14.60	8.68	13.13	10.73	10.95	168	144	136	133
460	BROOKLEY	AL	FULCO	GA	72320	70000	121.07	3.35	15.40	10.67	12.46	12.95	13.47	144	123	118	116
499	TUSCALOOSA	AL	EAST ST LOUIS	IL	69400	70000	126.25	3.61	18.00	8.19	9.97	10.54	10.34	219	180	170	174
652	TUSCALOOSA	AL	RALEIGH	NC	72000	70000	110.43	3.07	20.00	11.16	13.36	14.01	14.06	179	149	142	142
681	TUSCALOOSA	AL	CHICAGO	IL	70600	70000	113.05	3.20	21.61	9.90	12.16	12.95	12.50	220	179	168	174
703	HOLT	AL	LAKELAND	FL	60840	50000	94.36	3.10	21.80	16.00	18.45	19.82	20.19	136	118	109	107
816	BROOKLEY	AL	CHAMPAIGN	IL	71760	70000	99.13	2.76	22.60	12.01	14.70	15.70	15.17	188	152	143	149
835	TUSCALOOSA	AL	FT WAYNE	IN	71200	70000	92.85	2.61	21.78	13.35	16.31	17.26	16.71	163	133	126	130
844	BROOKLEY	AL	CHICAGO	IL	66880	70000	86.20	2.46	20.79	11.55	14.26	15.27	14.58	179	145	136	142
926	BROOKLEY	AL	CHICAGO	IL	73800	70000	101.22	2.74	25.40	11.87	14.62	15.71	14.99	213	171	161	169
1027	TUSCALOOSA	AL	DETROIT	MI	73400	70000	89.97	2.45	25.18	15.22	18.77	19.82	19.01	165	134	127	132
1091	TUSCALOOSA	AL	NEW YORK	NY	70000	70000	89.83	2.57	28.00	19.38	23.05	24.60	24.23	144	121	114	115
1145	HOLT	AL	YORK	PA	72900	70000	84.14	2.31	26.40	16.90	20.85	22.05	21.04	156	126	119	125
1344	BROOKLEY	AL	HOPKINS	MN	70580	70000	79.82	2.26	30.40	17.76	21.99	23.50	22.32	171	138	129	136
1361	PALATKA	FL	KANSAS CITY	MO	70000	70000	78.10	2.23	30.40	21.12	25.37	26.92	26.52	143	119	112	114

TABLE 103

ORIGINATING IN WESTERN TERRITORY

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
197	GREEN BAY	WI	CHICAGO	IL	21620	24000	186.19	8.85	17.43	17.90	19.39	22.10	22.09	98	89	79	79

TABLE 104

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
197	GREEN BAY	WI	CHICAGO	IL	40120	36000	124.22	6.19	12.20	11.21	12.61	13.72	14.26	108	96	88	85

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TABLE 105

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 26400: CONVERTED PAPER OR PAPERBOARD

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS)			% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS		
											TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)		TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
248	ARKANSAS		LOUISIANA		34400	36000	263.27	14.63	36.28	12.38	13.56	15.09	15.34	294	267	240	236
335	ARKANSAS		MISSOURI		32800	36000	115.69	6.43	21.58	14.08	15.57	17.51	17.53	153	138	123	123
339	GREEN BAY	WI	MINNEAPOLIS	MN	37240	36000	83.50	4.48	15.19	12.61	14.05	15.79	15.71	120	108	96	96
361	LEWISTON	ID	MILWAUKEE	OR	36000	0	103.71	5.76	20.80	20.13	22.17	24.60	25.61	103	93	84	81
361	LEWISTON	ID	MILWAUKEE	OR	36000	0	103.71	5.76	20.80	20.13	22.17	24.60	25.61	103	93	84	81
361	LEWISTON	ID	MILWAUKEE	OR	36600	0	105.44	5.76	20.80	19.82	21.87	24.22	25.22	104	95	85	82
380	MISSOURI		ARKANSAS		33600	36000	75.74	4.21	16.00	14.95	16.36	18.74	18.64	104	96	85	85
387	GREEN BAY	WI	GRAND RAPIDS	MI	27940	36000	70.65	3.91	15.15	18.68	20.50	23.13	23.11	81	73	65	65
387	GREEN BAY	WI	GRAND RAPIDS	MI	24000	24000	65.79	5.48	21.22	26.87	28.89	33.86	33.61	78	73	62	63
439	ARKANSAS		OKLAHOMA		33000	36000	92.87	5.16	22.70	16.15	17.94	20.38	20.13	140	126	111	112
448	GREEN BAY	WI	LIMA	OH	27680	36000	87.40	4.87	21.82	20.64	22.76	25.78	25.57	105	95	84	85
449	ARKANSAS		ILLINOIS		33600	36000	75.20	4.18	18.79	16.34	18.16	20.64	20.36	115	103	91	92
477	ARKANSAS		ALABAMA		32800	36000	75.06	4.17	19.91	15.83	17.68	20.43	19.67	125	112	97	101
487	GREEN BAY	WI	ST LOUIS	MO	24640	24000	67.20	5.45	26.54	29.42	31.72	37.29	37.00	90	83	71	71
518	GREEN BAY	WI	DETROIT	MI	23620	24000	64.96	5.41	28.04	30.53	32.96	39.16	38.12	91	85	71	73
518	GREEN BAY	WI	DETROIT	MI	31960	36000	69.09	3.84	19.88	21.06	23.49	26.82	26.30	94	84	74	75
531	ARKANSAS		TEXAS		32600	36000	63.36	3.52	18.70	17.98	20.03	22.90	22.40	104	93	81	83
537	GREEN BAY	WI	CLEVELAND	OH	21500	24000	75.08	6.26	33.60	31.07	33.55	39.93	38.76	108	100	84	86
537	GREEN BAY	WI	CLEVELAND	OH	33760	36000	82.55	4.59	24.63	21.44	23.92	27.35	26.76	114	102	90	92
555	ARKANSAS		TENNESSEE LIMA		30600	36000	65.48	3.65	20.28	17.28	19.36	22.53	21.71	117	104	90	93
665	GREEN BAY	WI	PITTSBURG	PA	23500	24000	67.93	5.66	37.64	38.43	41.46	49.60	47.84	97	90	75	78
665	GREEN BAY	WI	PITTSBURG	PA	39560	36000	79.78	4.03	26.82	24.34	27.37	31.12	30.30	110	97	86	88
689	ARKANSAS		SOUTH CAROLINA		33400	36000	69.98	3.89	26.79	19.76	22.22	26.09	24.84	135	120	102	107
693	GREEN BAY	WI	ST. LOUIS	MO	36960	36000	58.85	3.02	20.93	22.93	25.90	29.47	28.96	91	80	71	72
700	GREEN BAY	WI	KANSAS	MO	38080	36000	71.86	3.77	26.42	20.29	23.12	26.48	25.71	130	114	99	102
706	EVERETT	WA	BOISE	ID	29600	0	90.14	6.09	43.00	31.53	34.61	40.17	40.11	136	124	107	107
707	ARKANSAS		ILLINOIS		35200	36000	71.44	3.97	28.09	21.52	24.06	27.76	26.81	130	116	101	104
722	GREEN BAY	WI	BUFFALO	NY	37220	36000	67.40	3.62	26.15	24.37	27.41	31.37	30.35	107	95	83	86
767	LONGVIEW	WA	SAN FRANCISCO	CA	27000	0	97.00	7.19	55.11	32.17	35.43	42.26	40.93	171	155	130	134
809	ARKANSAS		INDIANAS		37000	0	64.19	3.47	28.09	24.79	27.76	32.08	30.72	113	101	87	91
822	ANTIOCH	CA	PORTLAND	OR	38000	36000	94.31	4.96	40.80	26.92	30.34	34.48	34.25	151	134	118	119
872	LEWISTON	ID	SALT LAKE CITY	UT	36000	0	84.22	4.68	40.80	26.70	30.26	35.07	33.97	152	134	116	120
953	ARKANSAS		IOWA		29400	36000	58.30	3.24	30.88	26.64	29.67	34.54	32.95	116	104	89	93
970	GREEN BAY	WI	BALTIMORE	MD	36980	36000	67.07	3.63	35.18	31.75	35.72	41.48	39.44	110	98	84	89
987	ARKANSAS		OHIO		33800	36000	61.04	3.39	33.49	28.08	31.52	37.14	34.90	119	106	90	95
[illegible]	GREEN BAY	WI	PHILADELPHIA	PA	30820	36000	64.87	3.34	35.80	34.44	39.06	45.12	42.97	103	91	79	83
[illegible]	ARKANSAS		FLORIDA		32000	36000	57.74	3.21	34.61	26.99	30.57	36.49	33.97	128	113	94	101
[illegible]	EVERETT	WA	LOS ANGELES	CA	28000	0	55.16	3.94	42.51	[illegible]	42.10	[illegible]	48.22	112	100	83	[illegible]
1079	EVERETT	WA	SAN FRANCISCO	CA	34000	0	55.16	3.24	35.61	[illegible]	35.10	[illegible]	40.39	109	96	[illegible]	[illegible]
1090	EVERETT	WA	SAN FRANCISCO	CA	34000	0	54.58	3.21	35.01	31.34	35.55	41.04	39.90	111	98	[illegible]	[illegible]
1100	EVERETT	WA	LOS ANGELES	CA	28000	0	56.58	3.90	42.51	37.25	41.43	49.97	47.37	114	102	[illegible]	[illegible]
1109	ARKANSAS		NORTH CAROLINA		34200	36000	50.72	2.82	31.26	27.55	31.22	37.30	34.69	113	100	[illegible]	[illegible]
1121	GREEN BAY	WI	ATLANTA	GA	39040	36000	58.29	2.99	33.48	28.34	32.41	37.04	35.91	118	103	[illegible]	[illegible]
1137	LEWISTON	ID	SAN FRANCISCO	CA	38000	0	59.20	3.12	35.43	29.33	33.67	39.06	37.32	120	105	90	94
1165	LEWISTON	ID	SAN FRANCISCO	CA	38000	0	57.79	3.04	35.43	30.40	34.66	40.45	38.68	116	101	87	91
1169	FULLERTON	CA	BOISE	ID	35000	36000	77.91	4.33	50.60	34.35	38.81	44.98	43.70	147	130	112	115
1299	ARKANSAS		COLORADO		36000	0	50.28	2.79	36.28	33.59	38.20	44.85	42.44	108	94	80	85
1417	GREEN BAY	WI	BOSTON	PA	25160	26000	45.29	3.60	51.01	60.8	67.05	82.98	76.62	83	76	61	66
1417	GREEN BAY	WI	BOSTON	MA	36140	36000	48.14	2.66	37.75	44.06	50.27	59.47	55.49	85	75	63	68
1432	FULLERTON	CA	SEATTLE	WA	30000	36000	53.31	2.96	43.00	39.37	44.64	52.12	50.04	109	96	82	85
1454	LEWISTON	ID	LOS ANGELES	CA	32000	0	46.30	2.89	42.07	40.95	46.25	55.34	52.00	102	90	76	80
215																	
1569	EVERETT	WA	LAS VEGAS	NV	32600	0	50.93	3.12	48.40	42.00	47.69	57.03	53.55	115	101	84	90
1573	LEWISTON	ID	LOS ANGELES	CA	32000	0	42.78	2.67	42.02	43.30	49.39	58.73	55.09	97	85	71	76
1579	EVERETT	WA	SAN DIEGO	CA	36000	0	62.24	3.28	51.73	39.66	45.36	52.76	50.47	130	114	98	102
1643	GREEN BAY	WI	HOUSTON	TX	34560	36000	44.14	2.45	40.28	39.97	45.31	53.53	50.14	100	88	75	80
1674	EVERETT	WA	SAN DIEGO	CA	38000	0	56.70	3.09	51.73	39.17	45.17	52.97	49.64	132	114	97	104
1700	EVERETT	WA	PHOENIX	AZ	34000	0	60.61	3.57	60.61	45.92	51.96	61.46	58.42	131	116	98	103

TABLE 186

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 26400: CONVERTED PAPER OR PAPERBOARD

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

										FULLY ALLOCATED COST PER NET TON (DOLLARS)				% OF RATE TO FULLY ALLOCATED COSTS		
DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
197	GREEN BAY	WI	CHICAGO	IL	59020	50000	150.84	5.91	11.45	9.05	10.45	11.03	11.52	128	111	105	101
323	GREEN BAY	WI	MINNEAPOLIS	MN	45800	50000	97.08	3.88	12.54	11.86	13.57	14.62	14.93	105	92	85	86
374	ARKANSAS		OKLAHOMA		52200	0	93.38	3.58	13.40	10.40	12.29	13.26	13.31	125	108	101	100
387	GREEN BAY	WI	GRAND RAPIDS	MI	43900	50000	81.40	3.26	12.60	13.78	15.00	17.13	17.23	91	79	73	73
431	LOUISIANA		TEXAS		55600	0	106.62	3.84	16.36	10.92	12.49	13.62	13.60	151	130	121	121
483	GREEN BAY	WI	ST. LOUIS	MO	50600	50000	99.39	3.92	18.94	15.05	17.37	18.93	18.80	125	109	100	100
487	ARKANSAS		TEXAS		59206	0	137.71	4.65	22.70	11.10	13.02	15.69	13.63	204	174	163	164
518	GREEN BAY	WI	DETROIT	MI	49580	50000	84.86	3.39	17.58	15.76	18.19	19.90	19.68	111	96	88	89
529	GREEN BAY	WI	CINCINNATI	OH	42340	36000	91.23	4.31	22.80	19.21	21.57	24.16	23.79	118	105	94	95
529	GREEN BAY	WI	CINCINNATI	OH	53200	50000	106.72	4.01	21.22	15.70	18.06	19.64	19.44	135	117	108	109
543	LONGVIEW	WA	BOISE	ID	53200	0	127.02	4.78	25.96	13.20	15.64	16.88	16.80	196	165	153	154
622	HALSEY	OR	SAN FRANCISCO	CA	48000	0	129.62	5.39	33.94	15.50	19.17	20.03	19.72	216	184	167	170
652	ARKANSAS		KANSAS		55600	0	83.98	3.02	19.72	14.00	16.19	17.78	17.45	140	120	110	113
663	GREEN BAY	WI	CLEVELAND	OH	49500	50000	60.17	3.21	21.26	17.96	23.63	22.97	22.34	118	102	92	94
698	GREEN BAY	WI	PITTSBURG	PA	32400	50000	90.78	3.46	23.86	19.36	22.46	24.60	24.09	123	108	96	98
706	GREEN BAY	WI	KANSAS CITY	MO	34300	50000	97.14	3.36	24.95	14.95	17.64	19.31	19.00	167	139	129	131
722	GREEN BAY	WI	BUFFLO	NY	48260	50000	75.90	3.04	21.92	18.85	21.90	24.22	23.40	116	108	90	93
723	ARKANSAS		INDIANA		55200	0	97.29	3.53	23.69	16.32	19.88	20.76	20.22	156	133	122	126
726	ARKANSAS		IOWA		47400	50000	77.14	3.09	25.49	17.95	20.83	23.09	22.38	161	122	110	113
888	LOUISIANA		ILLINOIS		51000	0	76.91	3.08	27.35	18.98	21.84	24.37	25.55	144	126	112	116
966	ARKANSAS		MICHIGAN		58600	0	92.28	3.15	30.51	18.68	22.09	23.97	23.18	163	136	127	131
970	GREEN BAY	WI	BALTIMORE	MD	47680	50000	76.93	3.16	30.63	24.63	29.39	31.62	30.34	125	107	96	108
994	HALSEY	OR	SAN FRANCISCO	CA	48000	0	80.99	3.37	33.56	24.36	28.30	31.93	30.99	137	118	102	108
995	HALSEY	OR	LOS ANGELES	CA	46000	0	90.33	4.99	47.85	22.27	26.06	29.34	28.33	163	136	130	144
1071	GREEN BAY	WI	PHILADELPHIA	PA	48100	50000	72.10	2.88	30.89	27.78	42.21	35.91	34.46	111	95	86	88
1129	LOUISIANA		IOWA		52000	0	70.91	2.69	30.33	21.55	25.27	27.98	26.86	140	119	108	112
1141	LONGVIEW	WA	LOS ANGELES	CA	53000	0	64.14	3.17	36.23	22.67	27.05	29.74	28.74	139	133	121	125
1173	ARKANSAS		NEW JERSEY		53000	0	41.59	1.57	18.42	23.36	22.50	36.72	29.06	78	68	59	63
1191	GREEN BAY	WI	OKLAHOMA	OK	49220	50000	64.24	2.57	30.60	24.41	29.56	31.90	30.67	125	107	95	99
1261	GREEN BAY	WI	JERSEY CITY	NJ	40700	36000	55.34	2.72	34.29	34.38	34.23	45.32	42.64	99	87	75	80
1261	GREEN BAY	WI	JERSEY	NJ	50480	50000	63.34	2.51	31.64	28.61	33.46	37.47	35.42	110	96	84	89
1262	ARKANSAS		MINNESOTA		52206	0	63.85	2.45	30.88	25.72	27.61	30.91	[illegible]	150	111	99	106
1332	GREEN BAY	WI	HOUSTON	TX	56320	50000	60.19	2.75	35.81	22.14	26.75	29.08	[illegible]	[illegible]	83	125	127
1336	LONGVIEW	WA	SAN DIEGO	CA	53000	0	92.07	3.47	46.42	26.84	31.49	34.92	34.15	172	[illegible]	132	135
1377	LONGVIEW	WA	LAS VEGAS	NV	48000	0	83.01	3.58	49.29	26.06	30.49	34.90	[illegible]	[illegible]	[illegible]	141	148
1412	HALSEY	OR	LOS ANGELES	CA	46000	0	63.65	2.89	40.85	28.53	33.59	38.42	[illegible]	[illegible]	121	106	112
[illegible]	GREEN BAY	WI	BOSTON	MA	50740	50000	59.08	2.33	33.00	32.98	34.21	43.97	[illegible]	100	84	75	79
[illegible]	TEXAS		OHIO		43000	0	54.38	2.54	37.30	33.73	36.06	44.40	41.83	116	96	84	88
1972	GREEN BAY	WI	SAN FRANCISCO	CA	42400	36000	74.12	3.50	68.94	42.18	49.65	56.40	53.06	163	140	122	128
2496	GREEN BAY	WI	LOS ANGELES	CA	40300	36000	55.40	2.75	48.52	32.32	60.87	70.08	60.04	130	112	96	102
						50000	72.37	2.68	65.08	40.32	46.76	53.76	[illegible]	161	135	120	126
						50000	61.60	2.47	65.02	45.77	54.63	89.67	[illegible]	142	119	105	136

TABLE 387

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 26400: CONVERTED PAPER OR PAPERBOARD

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
357	TOLEDO OR	BELLEVUE WA	66000	40000	260.47	7.89	26.40	10.14	12.12	12.48	12.90	262	219	213	206
494	ARKANSAS	MISSOURI	61000	0	115.80	3.80	18.79	10.91	12.86	13.65	13.60	172	146	137	138
714	TOLEDO OR	SAN FRANCISCO CA	61200	0	107.31	3.47	24.80	13.65	16.60	17.57	17.36	181	149	141	142
910	ARKANSAS	NEBRASKA	60200	0	91.05	3.02	27.53	16.48	19.58	21.12	20.53	167	140	130	134
1087	TOLEDO OR	LOS ANGELES CA	61800	0	90.97	2.94	32.00	17.96	22.05	23.55	22.85	178	145	135	140
1213	TOLEDO OR	SAN DIEGO CA	61800	0	103.42	3.35	40.60	19.42	23.66	25.56	24.71	209	170	158	164
1229	ARKANSAS	COLORADO	68400	70000	64.61	1.85	22.70	18.31	22.31	23.54	22.81	123	101	96	99

TABLE 388

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

1110	TEXAS	KENTUCKY	89200	0	110.60	2.48	27.53	13.55	17.16	17.36	16.97	203	160	158	162

TABLE 389

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26431: PAPER BAGS

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

479	RICHMOND VA	PITTSBURG PA	35500	36000	79.67	4.43	21.20	20.62	22.42	26.06	25.36	102	92	81	83

TABLE 390

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

86	HUNTINGTON NY	READ VALLEY NJ	56900	0	225.16	7.86	6.75	8.37	9.36	9.73	10.30	80	71	69	65

TABLE 391

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

349	RICHMOND VA	NEW YORK NY	70000	0	156.45	4.47	15.60	10.03	11.94	12.25	12.33	155	131	127	126
359	HUNTINGTON NY	ALTOONA PA	69440	0	116.87	3.37	12.08	10.21	12.05	12.90	12.56	118	100	96	96
393	HUNTINGTON NY	PORTLAND ME	69300	72040	124.68	3.46	13.60	11.76	14.44	14.83	14.90	115	94	91	91
419	RICHMOND VA	MAMARONECK NY	62000	0	129.98	4.15	17.40	11.97	12.95	14.75	14.67	145	134	117	118
613	RICHMOND VA	BUFFALO,ORG NY	70000	0	115.33	3.30	20.20	13.14	15.75	16.50	16.16	153	128	122	125
676	RICHMOND VA	BUFFALO NY	77000	0	80.52	2.38	20.20	16.28	19.80	20.76	20.00	124	102	97	101

TABLE 192

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26431; PAPER BAGS

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS)			% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS		
											TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)		TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
349	RICHMOND	VA	NEW YORK	NY	80600	0	180.14	4.47	15.60	8.91	10.72	10.84	10.96	175	145	143	142

TABLE 193

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

349	RICHMOND	VA	NEW YORK	NY	109000	0	168.96	3.10	10.82	6.99	8.80	8.42	8.59	154	122	128	125

TABLE 194

ORIGINATING IN SOUTHERN TERRITORY

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

294	CANTONMENT	FL	ANNISTON	AL	36720	36000	103.68	5.65	16.60	10.70	11.92	13.62	13.50	155	139	121	122
421	CANTONMENT	FL	TUCKER	GA	36000	36000	79.52	4.42	18.60	18.79	20.47	23.07	23.72	98	90	80	78
1225	TUSCALOOSA	AL	LIBERAL	KS	37800	36000	54.05	2.86	35.03	27.62	31.52	37.45	34.69	126	111	93	100

TABLE 195

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

257	BROOKLEY	AL	HAMILTON	MS	45600	50000	126.46	5.06	13.00	9.49	10.80	11.74	11.93	136	120	110	108
278	BROOKLEY	AL	AVERY ISLAND	LA	44220	36000	128.84	5.83	16.20	11.92	13.47	14.78	15.11	135	120	109	107
466	BROOKLEY	AL	MACON	GA	52400	50000	99.91	3.81	17.77	11.39	13.00	14.36	14.13	156	136	123	125
499	TUSCALOOSA	AL	ST LOUIS	MO	55800	50000	116.33	4.17	20.81	9.81	11.59	12.76	12.39	212	179	163	167
516	CANTONMENT	FL	RUSSELLVILLE	KY	50100	50000	104.46	4.17	21.50	14.05	15.80	17.43	17.73	153	136	123	121
613	TUSCALOOSA	AL	DECATUR	IL	54200	50000	95.53	3.52	21.61	13.96	16.29	17.95	17.44	154	132	120	123
628	BROOKLEY	AL	LITTLE ROCK	AR	56840	50000	88.70	3.12	19.60	12.95	15.20	16.52	16.20	151	128	118	120
675	ARKANSAS		GEORGIA		58000	0	92.71	3.20	21.58	12.48	14.84	16.33	15.76	172	145	132	136
922	TUSCALOOSA	AL	LOUISA	IA	53600	50000	79.57	2.97	27.37	16.90	20.07	22.43	21.34	161	136	122	128
995	CLYATTVILLE	GA	WYANDOTTE	MI	52000	50000	80.48	3.10	30.80	20.60	24.15	27.10	25.77	149	127	113	119
1050	PALATKA	FL	BALTIMORE	MD	50000	50000	66.19	2.65	27.80	24.29	27.81	31.04	30.52	114	99	89	91
1096	CANTONMENT	FL	HOLLAND	MI	40400	36000	64.51	3.19	35.00	25.85	29.59	34.68	32.29	135	118	100	108
1203	HOLT	AL	ST CLOUD	MN	46360	50000	68.58	2.74	33.00	29.86	34.03	37.51	37.83	110	96	87	87
1284	BROOKLEY	AL	BARBERTON	OH	50600	50000	61.43	2.43	31.18	24.45	28.80	32.66	30.45	127	108	95	102
1446	BROOKLEY	AL	TEXAS	MD	52800	50000	59.42	2.25	32.55	25.97	30.81	34.76	32.30	125	105	93	100
1449	BROOKLEY	AL	EDGE MOOR	DE	45600	50000	58.32	2.33	33.80	26.86	31.67	36.10	33.47	125	106	93	100
1570	BROOKLEY	AL	ALBANY	NY	57300	50000	67.52	2.36	37.00	27.30	32.63	36.29	33.95	135	113	101	108

TABLE 196

CARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26431: PAPER BAGS

ACTUAL WEIGHT GROUP: 40001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
261	HOLT	AL	NASHVILLE	TN	67620	70000	150.24	4.52	11.80	7.14	8.27	8.54	9.01	165	142	138	130
321	SAVANNAH	GA	CHARLOTTE	NC	70000	70000	111.21	3.18	10.28	7.34	8.63	6.90	9.26	139	118	113	110
380	PALATKA	FL	EAST POINT	GA	64000	50000	122.95	3.84	14.60	8.68	10.13	10.73	10.95	168	144	136	133
440	BROOKLEY	AL	FULCO	GA	72320	70000	121.07	3.35	15.40	10.67	12.46	12.95	13.47	144	123	118	114
499	TUSCALOOSA	AL	EAST ST LOUIS	IL	69400	70000	126.25	3.61	18.00	8.19	9.97	10.54	10.34	219	180	170	176
657	TUSCALOOSA	AL	RALEIGH	NC	72000	70000	110.43	3.07	20.00	11.16	13.34	14.01	14.06	179	149	142	142
681	TUSCALOOSA	AL	CHICAGO	IL	76400	70000	113.05	3.20	21.81	9.90	12.10	12.95	12.50	220	179	168	174
703	HOLT	AL	LAKELAND	FL	60860	50000	96.36	3.10	21.80	16.00	18.45	19.82	20.19	136	118	109	109
816	BROOKLEY	AL	CHAMPAIGN	IL	71740	70000	99.13	2.76	22.60	12.01	14.76	15.70	15.17	188	152	143	149
835	TUSCALOOSA	AL	FT WAYNE	IN	71200	70000	92.85	2.61	21.78	13.35	16.31	17.28	16.71	163	133	126	130
844	BROOKLEY	AL	CHICAGO	IL	64800	70000	86.20	2.46	20.79	11.55	14.26	15.27	14.58	179	145	136	142
926	BROOKLEY	AL	CHICAGO	IL	73870	70000	101.22	2.74	25.40	11.07	14.82	15.71	14.99	213	171	161	169
1022	TUSCALOOSA	AL	DETROIT	MI	73400	70000	89.97	2.45	25.18	15.22	18.77	19.82	19.01	165	134	127	132
1091	TUSCALOOSA	AL	NEW YORK	NY	71000	70000	89.83	2.57	28.00	19.36	23.65	24.40	24.23	144	121	116	115
1165	HOLT	AL	YORK	PA	72980	70000	84.14	2.31	26.40	16.90	20.93	22.05	21.04	156	126	119	125
1344	BROOKLEY	AL	HOPKINS	MN	70580	70000	79.82	2.26	30.40	17.76	21.99	23.50	22.32	171	138	129	136
1361	PALATKA	FL	KANSAS CITY	MO	70000	70000	76.18	2.23	30.40	21.12	25.37	26.97	26.52	143	119	112	114

TABLE 197

ORIGINATING IN WESTERN TERRITORY

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
727	ARKANSAS		ILLINOIS		35200	36000	79.44	3.97	28.09	21.52	24.16	27.76	26.51	130	116	101	106
767	LONGVIEW	WA	SAN FRANCISCO	CA	27000	0	97.00	7.19	55.11	32.17	35.63	42.26	40.93	171	155	130	134

TABLE 198

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 26431: PAPER BAGS

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS): TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS): CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS): DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS: TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS: CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS: DOLLAR BASIS (16)
374	ARKANSAS	OKLAHOMA	52200	0	93.38	3.58	13.40	10.46	12.29	13.20	13.31	125	108	101	100
431	LOUISIANA	TEXAS	55600	0	106.62	3.84	16.56	10.97	12.69	13.62	13.60	151	130	121	121
487	ARKANSAS	TEXAS	59200	0	137.71	4.65	22.70	11.10	13.02	13.89	13.83	204	176	167	166
563	LONGVIEW WA	BOISE ID	53200	0	127.07	4.78	25.94	13.20	15.44	16.08	16.80	196	165	155	156
652	ARKANSAS	KANSAS	55600	0	83.98	3.02	19.72	14.00	16.39	17.76	17.45	160	120	110	113
723	ARKANSAS	INDIANA	55200	0	97.20	3.53	25.40	14.32	19.06	20.78	20.22	156	133	122	126
826	ARKANSAS	IOWA	47600	50000	77.14	3.09	25.49	17.95	20.83	23.09	22.58	141	122	110	113
868	LOUISIANA	ILLINOIS	56000	0	76.99	3.08	27.35	18.90	21.94	24.37	23.55	164	124	112	116
966	ARKANSAS	MICHIGAN	56600	0	92.28	3.15	30.51	18.68	22.09	23.97	23.18	163	138	127	131
1129	LOUISIANA	IOWA	57800	0	79.91	2.69	30.33	21.55	25.27	27.96	26.66	160	119	106	112
1161	LONGVIEW WA	LOS ANGELES CA	53000	0	84.14	3.17	36.23	22.67	27.05	29.74	28.84	159	133	121	125
1173	ARKANSAS	NEW JERSEY	53000	0	41.59	1.57	18.42	23.36	27.50	30.72	29.06	78	66	59	63
1262	ARKANSAS	MINNESOTA	52200	0	65.85	2.45	30.88	23.72	27.61	30.91	29.56	130	111	99	106
1336	LONGVIEW WA	SAN DIEGO CA	53000	0	92.07	3.47	46.42	26.84	31.61	34.92	34.15	172	145	132	135
1377	LONGVIEW WA	LAS VEGAS NV	48000	0	85.91	3.58	49.29	26.06	30.99	34.90	33.15	189	159	141	148
1473	TEXAS	OHIO	43000	0	54.58	2.34	37.39	33.73	39.66	44.40	41.83	110	96	86	89

TABLE 199

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS): TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS): CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS): DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS: TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS: CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS: DOLLAR BASIS (16)
337	TOLEDO OR	BELLEVUE WA	66000	40000	260.47	7.89	26.60	10.14	12.12	12.48	12.90	262	219	213	206
446	ARKANSAS	MISSOURI	61000	0	115.80	3.80	18.79	10.91	12.86	13.65	13.60	172	146	137	138
716	TOLEDO OR	SAN FRANCISCO CA	61000	0	107.31	3.47	24.80	13.65	16.60	17.57	17.36	181	149	141	142
910	ARKANSAS	NEBRASKA	60200	0	91.05	3.02	27.53	16.48	19.56	21.12	20.53	167	140	130	134
1087	TOLEDO OR	LOS ANGELES CA	61800	0	90.97	2.94	32.00	17.96	22.63	23.55	22.65	178	145	135	140
1213	TOLEDO OR	SAN DIEGO CA	61800	0	103.42	3.35	40.80	19.42	23.86	25.56	24.71	209	170	156	164
1229	ARKANSAS	COLORADO	68400	70000	64.61	1.85	22.70	18.31	22.31	23.54	22.21	123	101	96	99

TABLE 200

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS): TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS): CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS): DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS: TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS: CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS: DOLLAR BASIS (16)
1110	TEXAS	KENTUCKY	89200	0	110.60	2.48	27.53	13.55	17.16	17.36	16.97	203	160	158	162

TABLE XXI

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS)			% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS		
											TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)		TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
98	CHESTER	PA	BALTIMORE	MD	32000	36000	227.76	12.65	12.40	13.09	14.13	15.33	16.10	94	87	80	77
150	CHESTER	PA	WASHINGTON	DC	32000	36000	160.80	8.93	13.40	14.11	15.32	16.79	17.36	96	87	79	77
175	BRATTLEBORO	VT	MAMARONECK	NY	39600	39500	185.09	9.35	16.36	12.63	14.14	15.48	16.00	129	115	105	102
186	WINSLOW	ME	NORTH BILLERICA	MA	37000	36000	123.33	6.67	12.40	13.21	15.13	16.90	17.29	93	81	73	71
223	FORT EDWARD	NY	SOMERVILLE	MA	36000	0	132.38	7.35	16.40	15.35	17.27	19.44	19.61	106	94	84	83
234	MEHOOPANY	PA	BUFFALO	NY	28000	36000	124.62	6.92	16.20	13.23	14.54	16.14	16.28	122	111	100	99
242	MEHOOPANY	PA	BALTIMORE	MD	36000	36000	121.60	6.77	16.38	15.93	17.42	19.38	19.60	102	94	84	83
272	WINSLOW	ME	READVILLE	MA	37600	36000	98.15	5.22	14.20	17.73	20.07	22.65	22.74	80	70	62	62
275	MEHOOPANY	PA	BALTIMORE	MD	36000	36000	107.18	5.95	16.38	19.11	20.69	22.83	23.50	85	79	71	69
308	CHEBOYGAN	MI	DETROIT	MI	36000	36000	110.39	6.13	18.89	17.26	18.92	21.23	21.20	109	99	88	89
369	CHEBOYGAN	MI	DETROIT	MI	36000	0	92.14	5.12	18.89	18.42	20.30	22.93	22.66	102	93	82	83
380	FORT EDWARD	NY	BUFFALO	NY	36000	0	91.89	5.11	19.40	18.66	20.57	23.29	22.95	103	94	83	84
385	WINSLOW	ME	FORT EDWARD	NY	35000	36000	95.45	5.30	20.42	21.25	24.20	27.86	27.34	96	84	73	74
387	FORT EDWARD	NY	BUFFALO	NY	36000	0	90.23	5.01	19.40	18.80	20.73	23.45	23.12	103	93	82	83
396	FORT EDWARD	NY	CHESTER	PA	29000	36000	69.57	3.87	15.31	21.50	23.45	26.23	26.45	71	65	58	57
420	MEHOOPANY	PA	CLEVELAND	OH	36000	36000	92.57	5.14	21.60	19.45	21.48	24.38	23.93	111	100	88	90
426	CHESTER	PA	PITTSBURG	PA	32000	36000	87.48	4.86	20.80	22.13	24.18	27.13	27.27	93	86	76	76
472	FORT EDWARD	NY	CHESTER	PA	29000	36000	58.37	3.24	15.31	20.68	22.66	25.84	25.19	74	67	59	60
482	BERLIN	NH	NEW BRUNSWICK	NJ	36000	0	86.64	4.81	23.20	21.00	23.97	27.76	26.78	110	96	83	86
561	FORT EDWARD	NY	BUFFALO	NY	38000	0	62.25	3.46	19.40	22.24	24.69	28.34	27.36	87	78	68	70
640	MEHOOPANY	PA	WINSTON-SALEM	NC	36000	36000	71.44	3.97	25.40	28.84	31.54	35.61	35.48	88	80	71	71
681	CHESTER	PA	NORFOLK	VA	32000	36000	47.58	2.64	18.00	27.13	29.95	34.24	33.38	66	60	52	53
734	MEHOOPANY	PA	CHARLOTTE	NC	26000	36000	67.57	3.75	27.56	27.92	31.00	36.00	34.67	98	88	76	79
754	DETROIT	MI	MEMPHIS	TN	36000	0	66.37	3.69	27.80	22.73	25.52	29.95	28.37	122	108	92	98
761	MEHOOPANY	PA	NORFOLK	VA	28000	36000	51.09	2.84	21.60	31.23	34.30	39.01	38.42	69	62	55	56
761	DETROIT	MI	MEMPHIS	TN	36000	36000	65.76	3.65	27.80	22.86	25.67	30.14	28.53	121	108	92	97
838	DETROIT	MI	MEMPHIS	TN	36000	0	59.71	3.32	27.80	24.09	27.10	31.96	30.08	115	102	86	92
874	DETROIT	MI	MEMPHIS	TN	36000	36000	57.25	3.18	27.80	24.67	27.72	32.81	30.81	112	100	84	90
971	PLATTSBURGH	NY	CHARLOTTE	NC	36000	0	68.59	3.81	37.00	29.95	33.59	39.52	37.19	123	110	93	99
1007	DETROIT	MI	MOBILE	AL	32000	0	62.56	3.91	39.36	29.75	33.23	40.08	37.19	132	118	98	105
1007	DETROIT	MI	MOBILE	AL	34000	0	62.56	3.68	37.06	28.20	31.68	37.92	35.26	131	116	97	105
1044	PLATTSBURGH	NY	CHARLOTTE	NC	36000	0	63.79	3.54	37.00	34.05	38.06	44.72	42.21	108	97	82	87
1052	DETROIT	MI	MOBILE	AL	32000	36000	59.89	3.33	35.00	27.57	31.17	37.10	34.47	126	112	94	101
1052	DETROIT	MI	MOBILE	AL	36000	36000	59.89	3.33	35.00	27.57	31.17	37.10	34.47	126	112	94	101
1052	DETROIT	MI	MOBILE	AL	40000	36000	66.54	3.33	35.00	25.17	28.77	33.75	31.47	139	121	103	111
1071	DETROIT	MI	JACKSONVILLE	FL	36000	0	60.84	3.38	36.20	29.68	33.44	39.67	37.13	121	108	91	97
1103	DETROIT	MI	JACKSONVILLE	FL	36000	36000	59.08	3.28	36.20	28.40	32.14	38.32	35.52	127	112	94	101
1110	CARTHAGE	NY	SAVANNAH	GA	38000	36000	61.96	3.26	36.20	28.06	31.90	37.66	34.96	128	113	96	103
1120	CARTHAGE	NY	SAVANNAH	GA	38000	36000	61.41	3.23	36.20	30.97	35.03	41.15	38.49	116	103	87	94
1176	CARTHAGE	NY	SAVANNAH	GA	38000	0	58.49	3.08	36.20	32.04	36.27	42.66	39.80	112	99	86	90
1194	DETROIT	MI	MOBILES	AL	40000	0	58.63	2.93	35.00	28.19	32.26	37.90	35.12	124	108	92	99
1203	CARTHAGE	NY	SAVANNAH	GA	38000	0	57.17	3.01	36.20	29.67	33.78	39.98	36.96	121	107	[illegible]	97
1208	BERLIN	NH	COLUMBIA	SC	35800	36000	54.83	3.05	36.80	39.95	45.34	53.67	50.33	92	81	68	73
1333	DETROIT	MI	MOBILE	AL	40000	36000	52.51	2.63	35.00	30.21	34.65	40.66	37.67	115	100	86	92
1340	CARTHAGE	NY	JACKSONVILLE	FL	38000	0	54.73	2.88	38.60	31.80	36.28	43.11	39.64	121	106	89	97
1510	CARTHAGE	NY	JACKSONVILLE	FL	38000	36000	48.57	2.56	38.60	34.26	39.39	46.76	42.76	112	98	82	90
1646	CARTHAGE	NY	MIAMI	FL	38000	36000	52.64	2.77	45.60	38.08	43.49	51.91	47.61	119	104	87	95
1682	PLATTSBURGH	NY	MIAMI	FL	36000	0	51.58	2.87	48.20	46.19	52.07	62.11	57.53	104	92	77	83
1696	CARTHAGE	NY	MIAMI	FL	38000	0	51.39	2.70	45.60	38.87	44.41	53.02	48.57	117	102	86	93
1723	PLATTSBURGH	NY	MIAMI	FL	36000	0	50.35	2.80	48.20	45.96	50.92	60.96	56.08	107	96	79	85
1823	DETROIT	MI	MIAMI	FL	30000	0	42.46	2.83	51.60	52.38	52.42	71.95	65.19	98	98	71	79
1871	DETROIT	MI	MIAMI	FL	36000	36000	41.37	2.30	43.00	47.03	53.31	66.00	58.63	91	80	65	73
1930	PLATTSBURGH	NY	MIAMI	FL	36000	0	44.95	2.50	48.20	47.29	53.66	64.59	59.07	101	89	74	81

TABLE 262

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

									FULLY ALLOCATED COST PER NET TON (DOLLARS)				% OF RATE TO FULLY ALLOCATED COSTS		
DISTANCE ACTUAL MILES (1)	ORIGIN (2)	DESTINATION (3)	AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
35	MIAMI FL	POMPANO BEACH FL	24000	24000	320.06	26.67	9.33	9.57	10.09	11.04	12.06	97	92	84	77
78	UNION MS	NANEOLA AL	36000	36000	203.08	11.26	8.80	9.22	9.96	10.85	11.64	95	88	81	75
140	MOBILE AL	NEW ORLEANS LA	34340	36000	149.14	8.29	11.60	8.39	9.19	10.16	10.59	138	126	113	109
170	CHAPCOA GA	MONTGOMERY AL	36000	36000	122.82	6.82	11.60	8.88	9.76	10.90	11.21	130	118	106	103
212	MEMPHIS TN	JACKSON MS	28800	24000	148.27	10.30	21.83	11.70	12.70	14.66	14.77	186	171	149	147
310	MEMPHIS TN	EVANSVILLE IN	24800	24000	101.47	8.18	25.35	15.60	16.87	20.11	19.70	162	150	126	128
313	MEMPHIS TN	ST LOUIS MO	30200	36000	95.46	5.30	16.60	11.19	12.47	14.32	14.13	148	133	115	117
335	PALATKA FL	COLUMBIA SC	36000	36000	93.43	5.19	17.39	11.55	12.98	14.85	14.58	150	134	117	119
380	MEMPHIS TN	CHAMPAIGN IL	27800	24000	110.59	7.96	30.23	15.46	16.92	20.19	19.52	195	178	149	154
389	MEMPHIS TN	LOUISVILLE KY	27200	24000	100.91	7.42	28.86	15.98	17.44	20.67	20.14	180	165	139	143
410	ROCKINGHAM NC	VALDOSTA GA	36000	36000	71.95	4.00	16.39	12.76	14.30	16.64	16.11	128	114	98	101
422	MOBILE AL	MEMPHIS TN	32199	36000	86.16	4.79	20.20	12.96	14.53	16.93	16.36	155	139	119	123
435	MEMPHIS TN	DALE IN	25200	24000	80.96	6.43	27.95	20.73	22.44	27.00	26.16	134	124	103	106
450	BEECH ISLAND SC	EASTPORT AL	36000	36000	66.44	3.69	16.61	13.41	15.06	17.60	16.93	123	110	94	98
473	MEMPHIS TN	LEXINGTON KY	26200	24000	88.46	6.75	31.94	23.40	25.36	30.18	29.26	136	125	105	109
508	MEMPHIS TN	CHICAGO IL	31600	36000	86.46	4.80	24.40	14.35	16.16	18.99	18.1[illegible]	170	151	128	136
510	CHARLOTTE NC	ALBANY GA	24000	24000	60.98	5.08	25.92	20.66	22.46	27.62	26.06	125	115	93	99
525	CHAPCO GA	OPA-LOCKA FL	24000	24000	74.10	6.17	32.42	20.99	22.84	28.14	26.49	154	141	115	122
528	PALATKA FL	GREENVILLE SC	40000	36000	80.30	4.02	21.20	13.60	15.26	17.71	16.91	156	138	119	125
571	SMYTH NC	MEMPHIS TN	38000	36000	84.52	4.45	25.40	14.67	16.65	19.52	18.52	173	152	130	137
581	MOBILE AL	SULPHUR SPRINGS TX	26800	24000	77.03	5.75	33.40	30.98	33.12	38.19	38.78	107	100	87	86
606	ROCKINGHAM NC	JERSEY CITY NJ	24000	24000	58.91	4.91	29.75	37.32	39.88	47.21	41.67	79	74	63	71
638	MEMPHIS) TN	KANSAS CITY MO	28200	24000	72.78	5.16	32.93	20.39	22.55	27.59	25.74	161	146	119	127
641	MEMPHIS TN	HOUSTON TX	32000	36000	70.76	3.93	25.20	19.27	21.59	25.17	24.18	130	116	100	104
667	MOBILE AL	LOUISVILLE KY	36240	36000	75.00	4.14	27.61	16.83	19.07	22.65	21.24	164	144	121	129
694	MEMPHISA TN	NEENAH WI	39400	36000	78.78	4.00	27.75	18.56	21.02	24.38	23.30	149	132	113	119
706	BEECH ISLAND SC	WOODLAWN OH	24000	24000	61.16	5.10	36.00	38.24	41.18	49.74	47.66	94	87	72	75
749	MOBILE AL	JACKSONVILLE FL	34000	36000	54.39	3.02	22.60	18.23	20.70	24.73	23.02	123	109	91	98
750	MOBILE(S) AL	FT JACKSON SC	24700	24000	59.28	4.80	36.00	37.39	39.97	47.34	47.20	96	90	76	76
775	MEMPHIS TN	DETROIT MI	30000	24000	76.57	5.10	39.56	27.12	29.96	35.98	33.85	145	132	109	116
834	BIRMINGHAM AL	NEENAH WI	26000	24000	80.94	6.23	51.92	39.57	42.44	49.91	49.75	131	122	104	104
835	JACKSONVILLE FL	BALTIMORE MD	36000	36000	57.01	3.17	26.44	26.15	29.28	34.60	32.88	101	90	76	80
841	MOBILE AL	HOUSTON TX	36000	36000	48.80	2.71	22.80	23.79	26.98	31.42	30.14	95	84	72	75
845	MOBILE AL	HOUSTON TX	36000	36000	48.57	2.70	22.80	22.63	25.50	30.06	28.39	100	89	75	80
919	FRANKLIN KY	DELAIR NJ	36000	36000	64.24	3.57	32.80	26.85	30.21	35.55	33.31	122	108	92	98
922	MOBILE AL	CUSHING OK	24000	24000	56.83	4.57	42.40	52.21	55.61	64.94	65.72	81	76	65	64
943	MOBILE AL	FT WAYNE IN	34540	36000	62.61	3.48	32.80	25.42	28.69	34.04	31.82	129	114	96	103
945	SMYTH NC	NEENAH WI	38000	36000	66.35	3.49	33.00	25.78	29.27	34.26	32.62	128	112	96	101
1008	SMYTH NC	CHICAGO IL	40000	36000	55.56	2.78	28.00	22.18	25.68	30.12	28.00	126	109	92	99
1017	MOBILE AL	DETROIT MI	34600	36000	61.60	3.42	34.80	26.99	30.45	36.25	33.76	128	114	96	103
1036	JACKSONVILLE FL	LODI NJ	36000	36000	51.93	2.89	29.89	32.98	36.85	42.97	40.58	91	81	69	73
1132	MOBILE AL	DEARBORN MI	36000	36000	50.83	3.10	35.05	27.53	31.35	37.14	34.64	127	111	94	101
1226	PALATKA FL	ELIZABETH NJ	36000	36000	51.97	2.89	35.40	35.23	39.61	47.01	44.22	100	89	75	80
1255	MOBILE AL	BAY CITY MI	24000	24000	49.34	4.11	51.60	44.51	48.68	61.21	55.89	115	106	84	92
1257	PALATKA FL	CHELSEA MA	36000	36000	45.58	2.53	31.83	36.13	41.35	48.54	45.35	88	77	65	70
1365	MOBILE AL	HARLEM RIVER NY	37520	36000	53.05	2.83	38.60	35.91	40.88	48.12	44.79	107	94	80	86
1440	MEMPHIS TN	NEW MILFORD CT	38800	36000	52.90	2.73	39.27	33.95	35.62	45.94	42.15	115	110	85	93
1440	MEMPHIS TN	NEW MILFORD CT	37600	36000	51.05	2.72	39.10	34.87	39.74	47.25	43.30	112	98	82	90
1523	MOBILE AL	GREEN BAY WI	40000	36000	46.75	2.34	35.60	36.86	41.56	46.15	46.31	96	85	77	76

TABLE 303

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
898	MOBILE	AL	COLUMBUS	OH	49400	50000	81.29	3.25	29.20	24.24	27.37	30.17	30.38	120	106	96	96
1032	PALATKA	FL	CARLSTADT	NJ	50000	50000	65.02	2.60	26.84	24.35	28.24	31.81	30.34	110	95	84	88
1036	PALATKA	FL	BRONX	NY	50000	50000	60.81	2.43	25.20	22.68	26.42	29.83	28.29	111	95	84	89
1158	PALATKA	FL	SPRINGFIELD	MA	50000	50000	69.52	2.78	32.20	24.55	28.64	32.41	30.56	131	112	99	105
1262	MOBILE	AL	EDDYSTONE	PA	46600	50000	67.75	2.71	34.20	26.51	30.96	35.10	33.17	128	110	97	103

TABLE 304

ORIGINATING IN WESTERN TERRITORY

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

197	GREEN BAY	WI	CHICAGO	IL	31620	24000	106.19	8.85	17.43	17.99	19.35	22.19	22.89	96	89	78	76

TABLE 305

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

197	GREEN BAY	WI	CHICAGO	IL	40120	36000	124.22	6.19	12.20	11.21	12.69	13.72	14.26	109	96	88	85

TABLE [illegible]

CARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS)			% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS		
											TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)		TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
248	ARKANSAS		LOUISIANA		34400	36000	263.27	14.63	36.28	12.30	13.56	15.09	15.34	294	267	240	236
335	ARKANSAS		MISSOURI		32600	36000	115.69	6.43	21.56	14.06	15.57	17.51	17.53	153	138	123	123
339	GREEN BAY	WI	MINNEAPOLIS	MN	37280	36000	83.50	4.40	15.19	12.61	14.05	15.79	15.71	120	108	96	96
361	LEWISTON	ID	MILWAUKEE	OR	36000	0	103.71	5.76	20.80	20.13	22.17	24.60	25.61	103	93	84	81
361	LEWISTON	ID	MILWAUKEE	OR	36000	0	103.71	5.76	20.80	20.13	22.17	24.60	25.61	103	93	84	81
361	LEWISTON	ID	MILWAUKEE	OR	36600	0	105.44	5.76	20.80	19.82	21.87	24.22	25.22	104	95	85	82
387	GREEN BAY	WI	GRAND RAPIDS	MI	27940	36000	70.45	3.91	15.15	18.48	20.50	23.13	23.11	81	73	65	65
387	GREEN BAY	WI	GRAND RAPIDS	MI	24000	24000	65.79	5.48	21.22	26.87	28.89	33.86	33.61	78	73	62	63
439	ARKANSAS		OKLAHOMA		33000	36000	92.87	5.16	22.70	16.15	17.94	20.38	20.13	140	126	111	112
446	GREEN BAY	WI	LIMA	OH	27680	36000	87.68	4.87	21.82	20.44	22.74	25.78	25.57	105	95	84	85
449	ARKANSAS		ILLINOIS		33600	36000	75.28	4.18	18.79	16.34	18.16	20.64	20.36	115	103	91	92
477	ARKANSAS		ALABAMA		32800	36000	75.06	4.17	18.91	15.83	17.68	20.43	19.87	125	112	97	100
487	GREEN BAY	WI	ST LOUIS	MO	24660	24000	67.20	5.45	26.56	29.42	31.72	37.29	37.00	90	83	71	71
518	GREEN BAY	WI	DETROIT	MI	23620	24000	64.96	5.41	26.04	30.53	32.96	39.16	38.12	91	85	71	73
518	GREEN BAY	WI	DETROIT	MI	31060	36000	69.09	3.84	19.88	21.06	23.49	28.62	26.30	94	86	76	75
531	ARKANSAS		TEXAS		32600	36000	63.36	3.52	18.70	17.98	20.03	22.90	22.40	104	93	81	83
537	GREEN BAY	WI	CLEVELAND	OH	21580	24000	75.08	6.26	33.60	31.07	33.55	39.93	38.78	108	100	84	86
537	GREEN BAY	WI	CLEVELAND	OH	33760	36000	82.55	4.59	24.63	21.44	23.92	27.35	26.76	114	102	90	92
555	ARKANSAS		TENNESSEE LIMA		30600	36000	65.68	3.65	20.28	17.28	19.36	22.53	21.71	117	104	90	93
665	GREEN BAY	WI	PITTSBURG	PA	23500	24000	67.93	5.66	37.64	38.43	41.46	49.60	47.64	97	90	75	78
665	GREEN BAY	WI	PITTSBURG	PA	39560	36000	79.78	4.03	26.82	24.34	27.37	31.12	30.30	110	97	86	88
689	ARKANSAS		SOUTH CAROLINA		33400	36000	69.98	3.89	26.79	19.76	22.22	26.09	24.64	135	120	102	107
693	GREEN BAY	WI	ST. LOUIS	MO	36960	36000	58.85	3.02	20.93	22.93	25.90	29.47	28.96	91	80	71	72
700	GREEN BAY	WI	KANSAS	MO	32080	36000	71.84	3.77	26.42	20.21	23.12	26.46	25.71	130	114	99	102
736	EVERETT	WA	BOISE	ID	24600	0	90.14	6.09	43.00	31.53	34.61	40.17	40.11	136	124	107	107
722	GREEN BAY	WI	BUFFALO	NY	37220	36000	67.40	3.62	26.15	24.37	27.41	31.57	30.35	107	95	82	86
839	ARKANSAS		INDIANAS		37000	0	64.19	3.47	28.09	24.79	27.78	32.08	30.72	113	101	87	91
872	LEWISTON	ID	SALT LAKE CITY	UT	36000	0	64.22	4.68	40.88	26.70	33.26	35.07	33.97	152	134	116	120
953	ARKANSAS		IOWA		29400	36000	58.30	3.24	30.88	26.44	29.67	34.54	32.95	116	104	89	93
970	GREEN BAY	WI	BALTIMORE	MD	36980	36000	67.07	3.63	35.18	31.75	35.72	41.4[illegible]	39.44	110	98	84	89
987	ARKANSAS		OHIO		33800	36000	61.04	3.39	33.49	28.00	31.52	37.14	34.90	119	106	90	95
1021	GREEN BAY	WI	PHILADELPHIA	PA	38820	36000	64.87	3.34	35.80	34.64	39.06	45.12	42.97	103	91	79	83
1078	ARKANSAS		FLORIDA		32000	36000	57.74	3.21	34.61	26.99	30.57	36.49	33.97	126	113	94	101
1079	EVERETT	WA	LOS ANGELES	CA	28000	0	55.16	3.94	42.51	37.90	42.10	50.69	48.22	112	100	83	88
1079	EVERETT	WA	SAN FRANCISCO	CA	34000	0	55.16	3.24	35.01	31.90	35.10	42.43	40.59	109	96	82	86
[illegible]	EVERETT	WA	SAN FRANCISCO	CA	34000	0	54.58	3.21	35.01	31.36	35.55	41.84	39.90	111	98	83	87
[illegible]	EVERETT	WA	LOS ANGELES	CA	28000	0	54.58	3.90	42.51	37.23	41.65	49.97	47.37	116	102	85	89
[illegible]	ARKANSAS		NORTH CAROLINA		34200	36000	50.72	2.82	31.26	27.[illegible]	31.22	37.30	34.68	113	100	83	90
1121	GREEN BAY	WI	ATLANTA	GA	39040	36000	58.29	2.99	33.48	28.34	32.41	37.84	35.91	118	103	88	93
1157	LEWISTON	ID	SAN FRANCISCO	CA	37000	0	59.20	3.12	35.43	29.33	33.67	39.06	37.32	[illegible]	105	[illegible]	94
1165	LEWISTON	ID	SAN FRANCISCCY	CA	38000	0	57.79	3.04	35.43	30.40	34.86	40.45	38.68	116	101	87	[illegible]
1169	FULLERTON	CA	BOISE	ID	35000	36000	77.91	4.33	50.60	34.35	38.81	[illegible]	[illegible]	[illegible]	130	[illegible]	[illegible]
1298	ARKANSAS		COLORADO		36000	0	50.28	2.79	36.28	33.59	[illegible]	44.65	42.44	108	94	80	85
1417	GREEN BAY	WI	BOSTON	MA	25160	24000	45.29	3.60	51.01	60.82	67.05	82.98	76.62	83	76	61	66
1417	GREEN BAY	WI	BOSTON	MA	36140	36000	46.14	2.66	37.75	44.04	50.27	59.47	55.69	85	75	63	68
1452	FULLERTON	CA	SEATTLE	WA	30000	36000	53.31	2.96	43.00	39.33	44.64	52.12	50.04	109	96	82	85
1454	LEWISTON	ID	LOS ANGELES	CA	32000	0	46.30	2.89	42.07	40.93	46.25	55.34	52.08	102	90	76	80
215																	
1549	EVERETT	WA	LAS VEGAS	NV	32800	0	50.93	3.17	48.40	42.09	47.[illegible]	57.03	53.55	115	101	84	90
1573	LEWISTON	ID	LOS ANGELES	CA	32000	0	42.78	2.67	42.07	43.30	[illegible]	58.73	55.09	97	85	71	76
1574	EVERETT	WA	SAN DIEGO	CA	36000	0	62.24	3.28	51.73	39.66	45.36	52.70	50.47	130	114	98	102
1643	GREEN BAY	WI	HOUSTON	TX	34560	36000	44.14	2.65	40.29	39.97	45.31	53.53	50.14	100	88	75	80
1674	EVERETT	WA	SAN DIEGO	CA	36000	0	58.70	3.09	51.73	39.17	45.17	52.92	49.64	132	116	97	103
1700	EVERETT	WA	PHOENIX	AZ	36000	0	60.61	3.57	60.61	45.92	51.9[illegible]	61.46	58.42	131	116	98	103

TABLE 207

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
197	GREEN BAY	WI	CHICAGO	IL	51020	50000	150.84	3.91	11.65	9.05	13.45	11.03	11.52	129	111	105	101
323	GREEN BAY	WI	MINNEAPOLIS	MN	45800	50000	97.88	3.88	12.54	11.86	13.57	14.62	14.93	105	92	85	84
387	GREEN BAY	WI	GRAND RAPIDS	MI	43900	50000	81.40	3.26	12.68	13.78	15.80	17.15	17.23	91	79	73	73
483	GREEN BAY	WI	ST. LOUIS	MO	50680	50000	99.39	3.92	18.94	15.05	17.37	18.93	18.80	125	109	100	100
516	GREEN BAY	WI	DETROIT	MI	49580	50000	84.84	3.39	17.58	15.76	18.19	19.90	19.68	111	96	88	89
529	GREEN BAY	WI	CINCINNATI	OH	42340	36000	91.23	4.31	22.80	19.21	21.57	24.16	23.79	118	105	94	95
529	GREEN BAY	WI	CINCINNATI	OH	53200	50000	106.72	4.01	21.22	15.70	18.06	19.64	19.44	135	117	108	109
672	HALSEY	OR	SAN FRANCISCO	CA	48000	0	129.42	5.39	33.54	15.50	18.17	20.03	19.72	216	184	167	170
663	GREEN BAY	WI	CLEVELAND	OH	49500	50000	80.17	3.21	21.26	17.96	20.83	22.97	22.38	118	102	92	94
688	GREEN BAY	WI	PITTSBURG	PA	52480	50000	90.78	3.46	23.84	19.36	22.46	24.60	24.09	123	106	96	98
706	GREEN BAY	WI	KANSAS CITY	MO	54580	50000	97.14	3.56	24.93	14.95	17.84	19.31	19.00	167	139	129	131
722	GREEN BAY	WI	BUFFLO	NY	48260	50000	75.90	3.04	21.92	18.85	21.90	24.22	23.48	116	100	90	93
970	GREEN BAY	WI	BALTIMORE	MD	47680	50000	78.93	3.16	30.63	24.43	28.39	31.62	30.34	125	107	96	100
994	HALSEY	OR	SAN FRANCISCO	CA	48000	0	80.99	3.37	33.54	24.36	28.30	31.33	30.99	137	118	107	108
995	HALSEY	OR	LOS ANGELES	CA	44000	0	90.33	4.11	40.85	22.27	26.06	29.56	28.33	183	156	138	144
1071	GREEN BAY	WI	PHILADELPHIA	PA	48100	50000	72.10	2.88	30.29	27.78	32.21	35.91	34.46	111	95	86	89
1191	GREEN BAY	WI	OKLAHOMA	OK	49270	50000	64.24	2.57	30.60	24.41	28.58	31.90	30.67	125	107	95	99
1261	GREEN BAY	WI	JERSEY	NJ	50480	50000	63.34	2.51	31.64	28.61	33.46	37.47	35.48	110	94	84	89
1261	GREEN BAY	WI	JERSEY CITY	NJ	40700	36000	55.34	2.72	34.29	34.36	39.23	45.37	42.64	99	87	75	80
1302	GREEN BAY	WI	HOUSTON	TX	58320	50000	80.19	2.75	35.21	22.14	26.75	29.00	28.00	161	133	123	127
1412	HALSEY	OR	LOS ANGELES	CA	44000	0	63.65	2.29	40.85	28.55	33.59	38.42	36.32	143	121	106	112
1417	GREEN BAY	WI	BOSTON	MA	50740	50000	59.08	2.33	33.00	37.98	39.21	43.97	41.55	100	86	75	79
1972	GREEN BAY	WI	SAN FRANCISCO	CA	42400	36000	74.12	3.50	68.94	42.18	49.05	50.60	53.66	163	140	122	128
2496	GREEN BAY	WI	LOS ANGELES	CA	40360	36000	55.40	2.75	68.52	52.37	60.82	70.80	66.84	130	112	96	102
2496	GREEN BAY	WI	LOS ANGELES	CA	55580	50000	72.37	2.60	65.00	40.32	48.76	53.74	51.30	161	133	170	126
2635	GREEN BAY	WI	SAN FRANCISCO	CA	49360	50000	61.69	2.47	65.02	45.77	54.63	61.47	58.24	142	119	105	111

TABLE 208

ORIGINATING IN OFFICIAL TERRITORY

STCC 26500: CONTAINERS OR BOXES, PAPERBOARD

ACTUAL WEIGHT GROUP: 1 TO 20000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
159	TWIN OAKS	PA	DELANO	PA	17000	36000	147.63	8.20	11.40	16.42	17.55	19.00	20.20	69	64	59	56
363	TWIN OAKS	PA	FRANKLIN	VA	12000	36000	82.31	4.57	16.60	18.88	20.67	23.45	23.35	88	80	70	71
557	CULLODEN	WV	CHARLESTON	TN	14000	36000	85.96	4.78	26.40	19.22	21.43	24.86	23.99	136	124	107	110
636	CULLODEN	WV	MEMPHIS	TN	10000	36000	60.19	3.34	21.20	20.70	23.15	26.98	25.82	102	91	78	82
664	MIDLAND	MI	ST LOUIS	MO	14000	36000	84.96	3.69	25.00	24.85	27.71	32.05	30.56	100	90	78	81

TABLE 209

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26500: CONTAINERS OR BOXES, PAPERBOARD

ACTUAL WEIGHT GROUP: 28001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
32	OWINGS MILLS	MD	COLUMBIA	MO	36600	36000	425.19	23.13	7.40	11.51	12.35	13.17	14.16	64	59	56	52
172	WAKEFIELD	MA	NEW MILFORD	CN	31600	37840	171.63	9.07	15.60	13.10	14.59	16.06	16.59	119	106	97	96
191	MANCHESTER	NH	MECHANICVILLE	NY	30000	36000	154.55	8.39	16.40	11.75	13.57	15.19	15.38	119	129	107	106
221	WAKEFIELD	MA	FT EDWARD	NY	33200	36000	133.57	7.42	16.40	15.30	12.21	19.36	19.55	107	95	84	83
226	WATERVILLE	ME	WORCESTER	MA	32600	36000	118.68	6.59	15.03	14.58	16.72	18.91	19.01	103	79	79	78
272	CHICAGO	IL	DETROIT	MI	34000	0	107.57	5.44	15.40	13.31	16.73	16.37	16.36	115	104	94	94
274	WATERVILLE	ME	READVILLE	MA	33200	36000	93.30	5.18	14.20	18.49	20.85	23.63	23.72	76	68	60	59
344	LOUISVILLE	KY	OWENS	WV	36000	0	75.81	4.77	16.40	17.95	19.76	22.24	22.08	91	83	73	74
393	THREE RIVERS	MI	BUFFALO	NY	36000	49020	123.77	4.99	19.60	12.34	14.13	15.41	15.18	158	138	127	129
427	WATERVILLE	ME	MAMARONECK	NY	36200	36000	100.04	5.53	23.60	21.41	26.23	27.79	27.31	110	97	84	86
461	THREE RIVERS	MI	BUFFALO	NY	38000	0	105.42	5.55	25.38	16.89	18.68	21.44	20.77	151	135	119	123
559	THREE RIVERS	MI	KANSAS CITY	MO	38000	0	87.01	4.58	25.60	20.50	23.14	26.16	25.71	124	111	97	99
764	ST JOSEPH	MI	FARGO	ND	40000	36000	76.01	3.90	29.80	22.70	25.85	29.42	28.65	131	115	101	104
954	PLATTSBURG	NY	CHICAGO	IL	24000	0	59.87	4.99	47.60	47.02	50.67	61.09	57.84	101	94	77	82
1066	PLATTSBURG	NY	CHICAGO	IL	24000	0	54.71	4.56	47.60	45.75	49.08	60.95	56.28	104	97	78	84
1161	ST JOSEPH	MO	DENVER	CO	39600	36000	64.23	3.26	37.20	31.30	35.21	41.21	39.63	118	105	90	93
1171	ST JOSEPH	MO	DENVER	CO	39600	36000	62.58	3.16	37.20	32.65	37.20	42.65	36.61	113	100	86	96
1277	PLATTSBURGH	NY	HAPEVILLE	GA	31720	0	46.94	2.96	37.20	44.90	49.70	50.53	55.77	86	76	63	67
1335	PLATTSBURG	NY	JACKSONVILLE	FL	36000	0	53.12	2.95	39.40	38.76	43.58	51.06	46.15	101	96	76	81
1361	WATERVILLE	ME	VIDALIA	GA	34800	36000	51.90	2.28	38.67	60.99	46.63	55.43	51.79	94	82	69	74
1393	PLATTSBURG	NY	MINNEAPOLIS	MN	24000	0	47.90	3.99	55.60	61.63	67.22	82.55	76.87	89	82	67	72
1466	PLATTSBURG	NY	MINNEAPOLIS	MN	24000	0	45.57	3.80	55.60	60.88	55.53	81.00	76.76	92	66	68	74
1499	WATERVILLE	ME	NASHVILLE	TN	32000	36000	42.91	2.36	35.73	45.65	51.82	61.57	57.20	78	68	58	67
1769	PLATTSBURG	NY	ST LOUIS	MO	36000	0	38.20	2.13	37.20	50.76	57.16	67.21	62.44	73	65	54	59
1809	PLATTSBURG	NY	ST LOUIS	MO	36000	0	37.04	2.06	37.20	48.82	55.02	65.16	60.35	76	67	57	61

TABLE 210

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
160	ANDERSON	IN	LOUISVILLE	KY	48000	50000	233.42	9.73	14.20	8.83	9.87	10.46	10.87	160	143	135	130
153	ANDERSON	IN	LOUISVILLE	KY	48000	0	219.87	9.16	14.20	8.97	10.04	10.66	11.06	156	141	133	126
313	CHICAGO	IL	COLUMBUS	OH	48000	0	119.62	4.98	15.60	11.45	12.99	14.12	14.08	136	120	110	110
394	THREE RIVERS	MI	ST LOUIS	MO	54000	50000	122.79	4.55	18.00	11.52	13.31	14.36	14.16	156	135	125	127
415	THREE RIVERS	MI	ST LOUIS	MO	54000	0	117.11	4.34	18.00	13.48	15.50	16.74	16.59	133	116	107	108
444	THREE RIVERS	MI	ST LOUIS	MO	54000	0	109.46	4.05	18.00	12.20	14.15	15.51	15.01	147	127	117	119
482	BALTIMORE	MD	CLEVELAND	OH	44000	50000	104.77	4.19	20.20	13.61	15.67	17.19	16.74	148	128	117	120
543	THREE RIVERS	MI	ST LOUIS	MO	54000	50000	89.17	3.30	18.00	15.34	17.25	19.32	18.87	117	101	93	95
554	[illegible]	IA	MINNEAPOLIS	MN	42000	36000	97.22	4.39	25.60	17.34	19.58	21.95	21.49	147	130	116	119
576	CHICAGO	IL	CINCINNATI	OH	42000	0	56.58	2.69	15.60	17.51	19.62	22.47	21.55	89	78	69	72
711	THREE RIVERS	MI	BALTIMORE	MD	50000	0	90.14	3.61	25.60	18.90	21.61	24.19	23.65	135	117	105	110
766	DOWNINGTOWN	PA	LOUISVILLE	KY	42000	0	76.41	3.64	28.00	25.46	26.50	32.30	31.52	112	99	88	91
849	THREE RIVERS	MI	BALTIMORE	MD	50000	0	75.36	3.02	25.40	19.17	22.55	24.96	23.59	133	114	102	108
1029	WATERVILLE	ME	ATLANTA	GA	44600	36000	52.82	2.33	39.40	40.52	47.20	54.55	50.79	97	83	77	77

TABLE 331

EX PARTE NO. 270 (SUB-NO. 8)

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 26500: CONTAINERS OR BOXES, PAPERBOARD

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
64	BRENTWOOD	NY	ELIZABETH	NJ	78540	0	374.72	9.54	6.11	6.01	6.95	6.90	7.39	101	87	88	82
312	BRENTWOOD	NY	READING	MA	66400	76240	136.86	3.59	11.20	10.03	12.30	12.45	12.69	111	91	89	88
321	BALTIMORE	MD	PORTSMOUTH	VA	68000	70000	133.02	3.80	12.20	9.84	11.56	12.03	12.73	124	105	101	99
616	BALTIMORE	MD	PORTSMOUTH	VA	66000	70000	69.32	1.98	12.20	11.19	13.53	14.29	14.03	109	90	85	86
975	BRENTWOOD	NY	MELROSE PARK	IL	73200	80840	85.40	2.11	20.60	16.60	20.40	20.93	20.51	123	101	98	100

TABLE 332

ORIGINATING IN SOUTHERN TERRITORY

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
143	HATTIESBURG	MS	MOBILE	AL	36400	36000	122.06	6.71	9.39	10.17	11.09	12.28	12.84	94	86	78	76
143	MEMPHIS	TN	TUPELO	MS	33800	36000	138.46	7.69	11.00	8.44	9.25	10.26	10.65	130	118	107	103
281	LOUISVILLE	KY	OWENS	WV	36000	0	105.05	5.84	16.40	14.80	16.27	18.32	18.40	110	100	89	89
323	KRANNERT	GA	LAWRENCEBURG	IN	36000	36000	92.51	5.14	16.80	13.19	14.60	16.71	16.65	125	113	99	99
359	MAGNOLIA	MS	FORREST CITY	AR	37400	36000	92.83	4.96	17.82	14.08	15.66	17.82	17.69	126	113	100	100
382	LOUISVILLE	KY	OWENS	WV	36000	0	77.28	4.29	16.40	16.51	18.26	20.82	20.55	99	89	78	79
1481	HATTIESBURG	MS	CHESTER	PA	34400	36000	45.46	2.53	37.40	37.77	67.78	51.18	47.09	99	87	73	79

TABLE 333

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
376	MAGNOLIA	MS	ORANGE	TX	42000	36000	90.57	4.31	16.22	13.05	14.64	16.75	16.34	124	110	99	99
577	KRANNERT	GA	CAPE GIRARDEAU	MO	46000	50000	88.39	3.54	20.40	15.67	17.03	19.62	19.69	130	114	103	103
674	READ	GA	EVANSVILLE	IN	44000	36000	81.60	3.71	25.00	14.36	16.67	19.21	18.13	174	150	113	137
1040	KINLOCH	GA	POCOMOKE	MD	54000	50000	71.13	2.63	27.40	23.17	26.71	29.43	29.00	118	102	93	94
1162	KRANNERT	GA	ALBION	NY	46000	43200	68.16	2.84	33.00	23.47	27.45	31.34	29.28	140	120	105	112

TABLE 334

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
444	JACKSON	MS	HOUSTON	TX	75600	70000	148.09	3.92	17.39	8.52	10.31	10.61	10.68	204	168	163	162

TABLE 215

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 26500: CONTAINERS OR BOXES, PAPERBOARD

ACTUAL WEIGHT GROUP: 1 TO 20000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
186	NORTH PORTLAND	OR	RICHMOND BEACH	WA	18000	14000	145.16	16.13	30.00	23.26	24.63	28.70	29.60	128	121	104	101

TABLE 216

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

155	SUMNER	WA	PORTLAND	OR	26000	0	94.86	7.30	11.31	15.72	17.00	19.15	20.00	71	66	59	56
288	TWIN FALLS	ID	SALT LAKE CITY	UT	30400	0	81.60	5.37	15.46	16.28	17.96	20.62	20.[illegible]	96	86	75	76
400	ARKANSAS		MISSOURI		25600	36000	84.53	4.70	18.79	15.35	17.03	19.29	19.1[illegible]	122	110	97	98
403	ARKANSAS		MISSOURI		25800	36000	83.80	4.66	18.79	15.42	17.11	19.78	19.22	121	109	96	97
445	ARKANSAS		TEXAS		36000	0	91.65	5.69	22.70	16.27	18.08	20.56	20.27	139	125	110	111
613	TEXAS		LOUISIANA		34400	36000	55.17	3.07	18.79	19.62	21.96	25.15	24.65	95	85	74	76
613	TEXAS		LOUISIANA		34400	50000	86.00	3.52	21.58	14.72	16.99	18.70	18.36	146	126	115	117
807	LONGVIEW	WA	FIRTH	ID	33400	0	62.45	3.74	30.18	24.66	27.89	32.69	31.38	122	108	92	96
870	TEXAS		ILLINOIS		39200	0	67.02	3.42	29.77	22.90	25.96	29.65	26.64	129	114	99	103
888	ANTIOCH	CA	WAUNA	OR	39000	90000	66.89	1.49	13.28	15.07	18.69	18.46	19.17	87	70	71	68

TABLE 217

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

334	LOUISIANA		ARKANSASA		43000	0	120.76	5.62	18.79	11.97	13.47	14.85	14.92	156	139	126	125

TABLE 218

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

892	STOCKTON	CA	BLACKFOOT	ID	76800	0	185.97	4.84	43.20	14.44	18.08	18.44	18.37	299	238	234	235

APPENDIX B

TABLE 219

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES AND BY TYPE OF SHIPMENT

ALL STCC'S FOR PAPER

	TOTAL U.S. (2)	OFFICIAL (3)	SOUTHERN (4)	WESTERN (5)
TOTAL MOVEMENTS				
SINGLE-CAR	840	246	333	261
MULTIPLE CAR	1	0	1	0
TRAINLOAD	0	0	0	0
TOTAL	841	246	334	261

	TOTAL U.S. NUMBER (A)	TOTAL U.S. PERCENT (B)	OFFICIAL NUMBER (A)	OFFICIAL PERCENT (B)	SOUTHERN NUMBER (A)	SOUTHERN PERCENT (B)	WESTERN NUMBER (A)	WESTERN PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	76	9	34	14	24	7	18	7
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	76	9	34	14	24	7	18	7
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	176	21	75	30	56	17	45	17
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	176	21	75	30	56	17	45	17
CAR & CAR-MILE BASIS								
SINGLE-CAR	280	33	106	43	97	29	77	30
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	280	33	106	43	97	29	77	30
DOLLAR BASIS								
SINGLE-CAR	255	30	101	41	85	26	69	26
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	255	30	101	41	85	25	69	26

TABLE 220

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR PAPER
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	58	138	240	213
95 - 99	18	38	40	42
100 - 109	61	101	76	88
110 - 119	81	97	70	71
120 - 129	68	89	79	85
130 - 139	65	99	74	73
140 - 149	58	98	62	72
150 - 159	68	65	67	65
160 - 169	59	45	40	45
170 - 179	64	28	35	37
180 - 229	197	38	47	42
230 & OVER	43	4	10	7
TOTAL:	840	840	840	840
	---	---	---	---
SIMPLE AVERAGE RATIO	154	126	122	123

TABLE 221

LOWEST, HIGHEST AND SIMPLE AVERAGE RATIO OF RATE-TO-VARIABLE COST BY COMMODITY, ORIGINATING TERRITORY, TYPE OF SHIPMENT AND CORRESPONDING ACTUAL MILES

ALL STCC'S FOR PAPER

	RATIO RANGE OF RATE TO VARIABLE COST BY			DISTANCE - ACTUAL MILES		
	TYPE OF SHIPMENT			TYPE OF SHIPMENT		
ORIGINATING TERRITORY	SINGLE CAR	MULTIPLE CAR	TRAINLOAD	SINGLE CAR	MULTIPLE CAR	TRAINLOAD
OFFICIAL						
LOWEST	64%	0%	0%	32	0	0
HIGHEST	295%	0%	0%	1063	0	0
SIMPLE AVERAGE ALL MOVEMENTS	143%	0%	0%	712	0	0
SOUTHERN						
LOWEST	73%	179%	0%	1439	868	0
HIGHEST	329%	179%	0%	669	868	0
SIMPLE AVERAGE ALL MOVEMENTS	156%	179%	0%	865	868	0
WESTERN						
LOWEST	71%	0%	0%	155	0	0
HIGHEST	299%	0%	0%	892	0	0
SIMPLE AVERAGE ALL MOVEMENTS	162%	0%	0%	903	0	0
TOTAL SIMPLE AVERAGE OF ALL MOVEMENTS FOR ALL REGIONS	154%	179%	0%	832	868	0

TABLE 222

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

ALL STCC'S FOR PAPER

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	6	2	0	0	0	0	103	0	0
20000- 40000	87	35	0	0	0	0	106	0	0
40000- 60000	25	10	0	0	0	0	128	0	0
60000- 80000	41	17	0	0	0	0	149	0	0
80000-100000	48	20	0	0	0	0	174	0	0
100000-120000	17	7	0	0	0	0	186	0	0
120000-140000	14	6	0	0	0	0	195	0	0
140000-160000	8	3	0	0	0	0	220	0	0
160000-180000	0	0	0	0	0	0	0	0	0
180000-200000	0	0	0	0	0	0	0	0	0
TOTAL	246	100	0	0	0	0	143	0	0

TABLE 223

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

ALL STCC'S FOR PAPER

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	101	30	0	0	0	0	124	0	0
40000- 60000	61	18	0	0	0	0	136	0	0
60000- 80000	60	18	0	0	0	0	163	0	0
80000-100000	40	12	0	0	0	0	173	0	0
100000-120000	38	11	0	0	0	0	194	0	0
120000-140000	15	5	1	100	0	0	202	179	0
140000-160000	10	3	0	0	0	0	223	0	0
160000-180000	5	2	0	0	0	0	176	0	0
180000-200000	3	1	0	0	0	0	258	0	0
TOTAL	333	100	1	100	0	0	156	179	0

TABLE 224

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

ALL STCC'S FOR PAPER

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	1	0	0	0	0	0	128	0	0
20000- 40000	68	26	0	0	0	0	116	0	0
40000- 60000	46	18	0	0	0	0	138	0	0
60000- 80000	13	5	0	0	0	0	187	0	0
80000-100000	27	10	0	0	0	0	177	0	0
100000-120000	61	23	0	0	0	0	185	0	0
120000-140000	35	13	0	0	0	0	201	0	0
140000-160000	6	2	0	0	0	0	227	0	0
160000-180000	4	2	0	0	0	0	224	0	0
180000-200000	0	0	0	0	0	0	0	0	0
TOTAL	261	100	0	0	0	0	162	0	0

TABLE 225

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

ALL STCC'S FOR PAPER

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	7	3	0	0	0	0	109	0	0
101 - 200	12	5	0	0	0	0	144	0	0
201 - 300	22	9	0	0	0	0	133	0	0
301 - 400	29	12	0	0	0	0	134	0	0
401 - 500	28	11	0	0	0	0	151	0	0
501 - 750	53	22	0	0	0	0	158	0	0
751 - 1000	34	14	0	0	0	0	147	0	0
1001 - 1500	43	17	0	0	0	0	145	0	0
1501 - 2000	18	7	0	0	0	0	113	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	246	100	0	0	0	0	143	0	0

TABLE 226

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

ALL STCC'S FOR PAPER

ORIGINATING TERRITORY: SOUTHERN

MILEAGE BLOCK	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	4	1	0	0	0	0	98	0	0
101 - 200	8	2	0	0	0	0	157	0	0
201 - 300	12	4	0	0	0	0	156	0	0
301 - 400	19	6	0	0	0	0	147	0	0
401 - 500	36	11	0	0	0	0	175	0	0
501 - 750	68	20	0	0	0	0	175	0	0
751 - 1000	67	20	1	100	0	0	159	179	0
1001 - 1500	93	28	0	0	0	0	142	0	0
1501 - 2000	22	7	0	0	0	0	131	0	0
2001 - 2500	2	1	0	0	0	0	113	0	0
2501 - 3000	2	1	0	0	0	0	167	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	333	100	1	100	0	0	156	179	0

TABLE 227

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

ALL STCC'S FOR PAPER

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	1	0	0	0	0	0	119	0	0
101 - 200	7	3	0	0	0	0	136	0	0
201 - 300	5	2	0	0	0	0	204	0	0
301 - 400	20	8	0	0	0	0	140	0	0
401 - 500	22	8	0	0	0	0	172	0	0
501 - 750	57	22	0	0	0	0	163	0	0
751 - 1000	56	21	0	0	0	0	179	0	0
1001 - 1500	68	26	0	0	0	0	154	0	0
1501 - 2000	15	6	0	0	0	0	144	0	0
2001 - 2500	9	3	0	0	0	0	157	0	0
2501 - 3000	1	0	0	0	0	0	142	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	261	100	0	0	0	0	162	0	0

TABLE 228

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR PAPER
OFFICIAL TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	30	63	93	83
95 - 99	4	12	13	18
100 - 109	28	38	26	26
110 - 119	27	26	16	19
120 - 129	23	27	21	23
130 - 139	19	19	18	18
140 - 149	14	23	13	13
150 - 159	22	16	19	19
160 - 169	13	7	9	10
170 - 179	14	5	5	5
180 - 229	41	9	9	9
230 & OVER	11	1	4	3
TOTAL:	246	246	246	246
	---	---	---	---
SIMPLE AVERAGE RATIO	144	118	114	115

TABLE 229

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR PAPER
SOUTHERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	14	42	84	69
95 - 99	10	14	13	16
100 - 109	16	34	34	42
110 - 119	29	47	39	34
120 - 129	28	40	37	43
130 - 139	33	40	33	32
140 - 149	28	40	22	28
150 - 159	32	22	18	15
160 - 169	28	22	15	17
170 - 179	29	15	17	20
180 - 229	71	16	19	16
230 & OVER	15	1	2	1
TOTAL:	333	333	333	333
	---	---	---	---
SIMPLE AVERAGE RATIO	156	129	123	124

TABLE 230

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR PAPER
WESTERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	14	33	63	61
95 - 99	4	12	14	8
100 - 109	17	29	16	20
110 - 119	25	24	15	18
120 - 129	17	22	21	19
130 - 139	13	40	23	23
140 - 149	16	35	27	31
150 - 159	14	27	30	31
160 - 169	18	16	16	18
170 - 179	21	8	13	12
180 - 229	85	13	19	17
230 & OVER	17	2	4	3
TOTAL:	261	261	261	261
	---	---	---	---
SIMPLE AVERAGE RATIO	162	131	129	129

TABLE 231

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES AND BY TYPE OF SHIPMENT

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

	TOTAL U.S. (2)		OFFICIAL (3)		SOUTHERN (4)		WESTERN (5)	
TOTAL MOVEMENTS								
SINGLE-CAR	333		102		165		66	
MULTIPLE CAR	1		0		1		0	
TRAINLOAD	0		0		0		0	
TOTAL	334		102		166		66	
	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	9	3	2	2	7	4	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	9	3	2	2	7	4	0	0
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	40	12	11	11	27	16	2	3
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	40	12	11	11	27	16	2	3
CAR & CAR-MILE BASIS								
SINGLE-CAR	51	15	13	13	37	22	1	2
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	51	15	13	13	37	22	1	2
DOLLAR BASIS								
SINGLE-CAR	50	15	12	12	36	22	2	3
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	50	15	12	12	36	22	2	3

TABLE 232

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26200: PAPER (EXCLUDING BUILDING PAPER)
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	6	25	44	40
95 - 99	3	15	7	10
100 - 109	15	23	25	22
110 - 119	17	32	29	31
120 - 129	11	43	37	42
130 - 139	20	37	38	31
140 - 149	27	48	30	34
150 - 159	35	42	42	43
160 - 169	23	24	22	24
170 - 179	36	15	18	20
180 - 229	108	28	35	32
230 & OVER	32	1	6	4
TOTAL:	333	333	333	333
SIMPLE AVERAGE RATIO	173	137	138	138

TABLE 233

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26200: PAPER (EXCLUDING BUILDING PAPER)
OFFICIAL TERRITORY
WEIGHT GROUP: ALL COMBINED

		RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	2	8	10	9
95 - 99	0	3	3	3
100 - 109	6	9	8	7
110 - 119	2	10	9	11
120 - 129	4	16	14	14
130 - 139	5	9	12	11
140 - 149	9	15	9	8
150 - 159	14	14	16	17
160 - 169	7	7	7	9
170 - 179	12	5	5	5
180 - 229	34	6	7	6
230 & OVER	7	0	2	2
TOTAL:	102	102	102	102
	---	---	---	---
SIMPLE AVERAGE RATIO	172	136	138	138

TABLE 234

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26200: PAPER (EXCLUDING BUILDING PAPER)
SOUTHERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	4	17	33	29
95 - 99	3	10	4	7
100 - 109	9	13	14	14
110 - 119	13	20	19	18
120 - 129	7	21	16	23
130 - 139	14	19	18	12
140 - 149	16	21	13	17
150 - 159	17	13	14	11
160 - 169	11	11	8	8
170 - 179	17	6	9	11
180 - 229	41	13	15	14
230 & OVER	13	1	2	1
TOTAL:	165	165	165	165
	---	---	---	---
SIMPLE AVERAGE RATIO	165	133	131	131

TABLE 235

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26200: PAPER (EXCLUDING BUILDING PAPER)
WESTERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	0	1	2
95 - 99	0	2	0	0
100 - 109	0	1	3	1
110 - 119	2	2	1	2
120 - 129	0	6	7	5
130 - 139	1	9	8	8
140 - 149	2	12	8	9
150 - 159	4	15	12	15
160 - 169	5	6	7	7
170 - 179	7	4	4	4
180 - 229	33	9	13	12
230 & OVER	12	0	2	1
TOTAL:	66	66	66	66
	---	---	---	---
SIMPLE AVERAGE RATIO	195	151	157	155

TABLE 236

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	1	1	0	0	0	0	122	0	0
20000- 40000	4	4	0	0	0	0	108	0	0
40000- 60000	10	10	0	0	0	0	127	0	0
60000- 80000	19	19	0	0	0	0	154	0	0
80000-100000	35	34	0	0	0	0	182	0	0
100000-120000	14	14	0	0	0	0	176	0	0
120000-140000	12	12	0	0	0	0	198	0	0
140000-160000	7	7	0	0	0	0	222	0	0
160000-180000	0	0	0	0	0	0	0	0	0
180000-200000	0	0	0	0	0	0	0	0	0
TOTAL	102	100	0	0	0	0	172	0	0

TABLE 237

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	17	10	0	0	0	0	107	0	0
40000- 60000	32	19	0	0	0	0	134	0	0
60000- 80000	39	24	0	0	0	0	157	0	0
80000-100000	32	19	0	0	0	0	175	0	0
100000-120000	16	10	0	0	0	0	202	0	0
120000-140000	11	7	1	100	0	0	199	179	0
140000-160000	10	6	0	0	0	0	223	0	0
160000-180000	5	3	0	0	0	0	176	0	0
180000-200000	3	2	0	0	0	0	258	0	0
TOTAL	165	100	1	100	0	0	164	179	0

TABLE 238

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
	SINGLE-CAR		MULTI-CAR		TRAINLOAD		SINGLE CAR	MULTI CAR	TRAIN-LOAD
WEIGHT GROUP	NUMBER	(%)	NUMBER	(%)	NUMBER	(%)	(%)	(%)	(%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	0	0	0	0	0	0	0	0	0
40000- 60000	2	3	0	0	0	0	130	0	0
60000- 80000	4	6	0	0	0	0	169	0	0
80000-100000	21	32	0	0	0	0	179	0	0
100000-120000	23	35	0	0	0	0	195	0	0
120000-140000	8	12	0	0	0	0	216	0	0
140000-160000	4	6	0	0	0	0	254	0	0
160000-180000	4	6	0	0	0	0	224	0	0
180000-200000	0	0	0	0	0	0	0	0	0
TOTAL	66	100	0	0	0	0	194	0	0

TABLE 239

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	1	1	0	0	0	0	195	0	0
101 - 200	1	1	0	0	0	0	101	0	0
201 - 300	6	6	0	0	0	0	144	0	0
301 - 400	6	6	0	0	0	0	161	0	0
401 - 500	13	13	0	0	0	0	180	0	0
501 - 750	33	32	0	0	0	0	175	0	0
751 - 1000	19	19	0	0	0	0	171	0	0
1001 - 1500	17	17	0	0	0	0	186	0	0
1501 - 2000	6	6	0	0	0	0	138	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	102	100	0	0	0	0	172	0	0

TABLE 240

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ORIGINATING TERRITORY: SOUTHERN

MILEAGE BLOCK	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	2	1	0	0	0	0	101	0	0
101 - 200	2	1	0	0	0	0	171	0	0
201 - 300	3	2	0	0	0	0	152	0	0
301 - 400	3	2	0	0	0	0	163	0	0
401 - 500	18	11	0	0	0	0	182	0	0
501 - 750	33	20	0	0	0	0	196	0	0
751 - 1000	39	24	1	100	0	0	166	179	0
1001 - 1500	47	28	0	0	0	0	147	0	0
1501 - 2000	14	8	0	0	0	0	130	0	0
2001 - 2500	2	1	0	0	0	0	113	0	0
2501 - 3000	2	1	0	0	0	0	167	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	165	100	1	100	0	0	164	179	0

TABLE 241

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26200: PAPER (EXCLUDING BUILDING PAPER)

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	1	2	0	0	0	0	119	0	0
101 - 200	1	2	0	0	0	0	195	0	0
201 - 300	1	2	0	0	0	0	271	0	0
301 - 400	2	3	0	0	0	0	206	0	0
401 - 500	8	12	0	0	0	0	218	0	0
501 - 750	10	15	0	0	0	0	202	0	0
751 - 1000	18	27	0	0	0	0	198	0	0
1001 - 1500	17	26	0	0	0	0	187	0	0
1501 - 2000	5	8	0	0	0	0	170	0	0
2001 - 2500	3	5	0	0	0	0	156	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	66	100	0	0	0	0	194	0	0

TABLE 242

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES AND BY TYPE OF SHIPMENT

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

	TOTAL U.S. (2)	OFFICIAL (3)	SOUTHERN (4)	WESTERN (5)
TOTAL MOVEMENTS				
SINGLE-CAR	116	64	33	19
MULTIPLE CAR	1	0	1	0
TRAINLOAD	0	0	0	0
TOTAL	117	64	34	19

	TOTAL U.S.		OFFICIAL		SOUTHERN		WESTERN	
	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	3	3	2	3	1	3	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	3	3	2	3	1	3	0	0
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	8	7	5	8	2	6	1	5
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	8	7	5	8	2	6	1	5
CAR & CAR-MILE BASIS								
SINGLE-CAR	11	9	5	8	5	15	1	5
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	11	9	5	8	5	15	1	5
DOLLAR BASIS								
SINGLE-CAR	11	9	4	6	6	18	1	5
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	11	9	4	6	6	18	1	5

TABLE 243

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26213: PRINTING PAPER, COATED OR UNCOATED
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	3	6	10	10
95 - 99	0	2	1	1
100 - 109	1	6	7	3
110 - 119	5	8	9	11
120 - 129	3	19	17	18
130 - 139	2	14	16	12
140 - 149	9	23	13	15
150 - 159	18	19	26	27
160 - 169	5	11	7	9
170 - 179	17	5	5	5
180 - 229	49	2	4	4
230 & OVER	4	1	1	1
TOTAL:	116	116	116	116
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SIMPLE AVERAGE RATIO	173	138	137	139

TABLE 244

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26213: PRINTING PAPER, COATED OR UNCOATED
OFFICIAL TERRITORY
WEIGHT GROUP: ALL COMBINED

		RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	2	4	4	4
95 - 99	0	1	1	0
100 - 109	1	2	3	2
110 - 119	1	6	4	6
120 - 129	1	10	10	10
130 - 139	1	5	10	7
140 - 149	5	14	6	7
150 - 159	11	10	14	16
160 - 169	2	6	5	5
170 - 179	10	5	4	4
180 - 229	28	1	3	3
230 & OVER	2	0	0	0
TOTAL:	64	64	64	64
	---	---	---	---
SIMPLE AVERAGE RATIO	174	138	139	140

TABLE 245

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26213: PRINTING PAPER, COATED OR UNCOATED
SOUTHERN TERRITORY
WEIGHT GROUP: ALL COMBINED

		RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	1	2	5	5
95 - 99	0	0	0	1
100 - 109	0	3	2	0
110 - 119	3	2	5	4
120 - 129	2	6	4	6
130 - 139	0	5	4	2
140 - 149	3	5	3	4
150 - 159	6	5	7	6
160 - 169	1	3	1	3
170 - 179	4	0	0	0
180 - 229	11	1	1	1
230 & OVER	2	1	1	1
TOTAL:	33	33	33	33
	---	---	---	---
SIMPLE AVERAGE RATIO	170	138	133	135

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TABLE 246

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26213: PRINTING PAPER, COATED OR UNCOATED
WESTERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	0	1	1
95 - 99	0	1	0	0
100 - 109	0	1	2	1
110 - 119	1	0	0	1
120 - 129	0	3	3	2
130 - 139	1	4	2	3
140 - 149	1	4	4	4
150 - 159	1	4	5	5
160 - 169	2	2	1	1
170 - 179	3	0	1	1
180 - 229	10	0	0	0
230 & OVER	0	0	0	0
TOTAL:	19	19	19	19
	---	---	---	---
SIMPLE AVERAGE RATIO	176	139	139	141

TABLE 247

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	0	0	0	0	0	0	0	0	0
40000- 60000	1	2	0	0	0	0	95	0	0
60000- 80000	18	28	0	0	0	0	153	0	0
80000-100000	31	48	0	0	0	0	183	0	0
100000-120000	9	14	0	0	0	0	177	0	0
120000-140000	5	8	0	0	0	0	203	0	0
140000-160000	0	0	0	0	0	0	0	0	0
TOTAL	64	100	0	0	0	0	174	0	0

TABLE 248

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	2	6	0	0	0	0	96	0	0
40000- 60000	10	30	0	0	0	0	141	0	0
60000- 80000	12	36	0	0	0	0	172	0	0
80000-100000	5	15	0	0	0	0	189	0	0
100000-120000	3	9	0	0	0	0	219	0	0
120000-140000	0	0	1	100	0	0	0	179	0
140000-160000	1	3	0	0	0	0	329	0	0
TOTAL	33	100	1	100	0	0	170	179	0

TABLE 249

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	0	0	0	0	0	0	0	0	0
40000- 60000	2	11	0	0	0	0	130	0	0
60000- 80000	2	11	0	0	0	0	190	0	0
80000-100000	8	42	0	0	0	0	172	0	0
100000-120000	7	37	0	0	0	0	169	0	0
120000-140000	0	0	0	0	0	0	0	0	0
140000-160000	0	0	0	0	0	0	0	0	0
TOTAL	19	100	0	0	0	0	176	0	0

TABLE 250

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

ORIGINATING TERRITORY: OFFICIAL

MILEAGE BLOCK	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	1	2	0	0	0	0	195	0	0
101 - 200	0	0	0	0	0	0	0	0	0
201 - 300	4	6	0	0	0	0	160	0	0
301 - 400	1	2	0	0	0	0	156	0	0
401 - 500	9	14	0	0	0	0	196	0	0
501 - 750	20	31	0	0	0	0	184	0	0
751 - 1000	14	22	0	0	0	0	175	0	0
1001 - 1500	9	14	0	0	0	0	159	0	0
1501 - 2000	6	9	0	0	0	0	138	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	64	100	0	0	0	0	174	0	0

TABLE 251

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	0	0	0	0	0	0	0	0	0
201 - 300	0	0	0	0	0	0	0	0	0
301 - 400	0	0	0	0	0	0	0	0	0
401 - 500	1	3	0	0	0	0	193	0	0
501 - 750	11	33	0	0	0	0	196	0	0
751 - 1000	7	21	1	100	0	0	164	179	0
1001 - 1500	10	30	0	0	0	0	159	0	0
1501 - 2000	4	12	0	0	0	0	129	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	33	100	1	100	0	0	170	179	0

TABLE 252

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26213: PRINTING PAPER, COATED OR UNCOATED

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	0	0	0	0	0	0	0	0	0
201 - 300	0	0	0	0	0	0	0	0	0
301 - 400	0	0	0	0	0	0	0	0	0
401 - 500	0	0	0	0	0	0	0	0	0
501 - 750	1	5	0	0	0	0	174	0	0
751 - 1000	6	32	0	0	0	0	190	0	0
1001 - 1500	8	42	0	0	0	0	178	0	0
1501 - 2000	1	5	0	0	0	0	132	0	0
2001 - 2500	3	16	0	0	0	0	156	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	19	100	0	0	0	0	176	0	0

TABLE 253

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES AND BY TYPE OF SHIPMENT

STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER

	TOTAL U.S. (2)	OFFICIAL (3)	SOUTHERN (4)	WESTERN (5)
TOTAL MOVEMENTS				
SINGLE-CAR	125	11	85	29
MULTIPLE CAR	0	0	0	0
TRAINLOAD	0	0	0	0
TOTAL	125	11	85	29

	TOTAL U.S. NUMBER (A)	TOTAL U.S. PERCENT (B)	OFFICIAL NUMBER (A)	OFFICIAL PERCENT (B)	SOUTHERN NUMBER (A)	SOUTHERN PERCENT (B)	WESTERN NUMBER (A)	WESTERN PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	5	4	0	0	5	6	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	5	4	0	0	5	6	0	0
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	24	19	1	9	22	26	1	3
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	24	19	1	9	22	26	1	3
CAR & CAR-MILE BASIS								
SINGLE-CAR	30	24	3	27	27	32	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	30	24	3	27	27	32	0	0
DOLLAR BASIS								
SINGLE-CAR	29	23	3	27	25	29	1	3
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	29	23	3	27	25	29	1	3

TABLE 254

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	3	13	26	23
95 - 99	2	11	4	6
100 - 109	9	9	11	11
110 - 119	10	16	13	11
120 - 129	5	13	15	17
130 - 139	11	16	12	8
140 - 149	11	15	10	14
150 - 159	10	14	10	12
160 - 169	11	5	8	6
170 - 179	11	6	4	8
180 - 229	36	7	12	9
230 & OVER	6	0	0	0
TOTAL:	125	125	125	125
	---	---	---	---
SIMPLE AVERAGE RATIO	162	130	127	129

TABLE 255

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26214: WRAPPING PAPER/WRAPPERS OR COARSE PAPER
OFFICIAL TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	0	2	1
95 - 99	0	1	1	2
100 - 109	1	2	1	1
110 - 119	0	2	1	0
120 - 129	2	1	3	4
130 - 139	1	3	0	0
140 - 149	0	1	1	1
150 - 159	2	0	0	1
160 - 169	2	1	1	0
170 - 179	1	0	0	1
180 - 229	2	0	1	0
230 & OVER	0	0	0	0
TOTAL:	11	11	11	11
	---	---	---	---
SIMPLE AVERAGE RATIO	156	125	124	124

TABLE 256

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER
SOUTHERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	3	13	24	21
95 - 99	2	9	3	4
100 - 109	8	7	9	10
110 - 119	9	13	12	11
120 - 129	3	10	9	11
130 - 139	10	10	8	5
140 - 149	11	7	5	8
150 - 159	6	4	3	3
160 - 169	7	3	2	1
170 - 179	7	4	4	6
180 - 229	16	5	6	5
230 & OVER	3	0	0	0
TOTAL:	85	85	85	85
	---	---	---	---
SIMPLE AVERAGE RATIO	153	124	119	121

TABLE 257

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER
WESTERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	0	0	1
95 - 99	0	1	0	0
100 - 109	0	0	1	0
110 - 119	1	1	0	0
120 - 129	0	2	3	2
130 - 139	0	3	4	3
140 - 149	0	7	4	5
150 - 159	2	10	7	8
160 - 169	2	1	5	5
170 - 179	3	2	0	1
180 - 229	18	2	5	4
230 & OVER	3	0	0	0
TOTAL:	29	29	29	29
	---	---	---	---
SIMPLE AVERAGE RATIO	193	149	153	154

TABLE 258

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
	SINGLE-CAR		MULTI-CAR		TRAINLOAD		SINGLE CAR	MULTI CAR	TRAIN-LOAD
WEIGHT GROUP	NUMBER	(%)	NUMBER	(%)	NUMBER	(%)	(%)	(%)	(%)
0- 20000	1	9	0	0	0	0	122	0	0
20000- 40000	2	18	0	0	0	0	113	0	0
40000- 60000	2	18	0	0	0	0	151	0	0
60000- 80000	1	9	0	0	0	0	165	0	0
80000-100000	2	18	0	0	0	0	155	0	0
100000-120000	0	0	0	0	0	0	0	0	0
120000-140000	3	27	0	0	0	0	197	0	0
TOTAL	11	100	0	0	0	0	156	0	0

TABLE 259

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	13	15	0	0	0	0	110	0	0
40000- 60000	16	19	0	0	0	0	130	0	0
60000- 80000	22	26	0	0	0	0	149	0	0
80000-100000	21	25	0	0	0	0	168	0	0
100000-120000	9	11	0	0	0	0	205	0	0
120000-140000	4	5	0	0	0	0	196	0	0
TOTAL	85	100	0	0	0	0	152	0	0

TABLE 260

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
	SINGLE-CAR		MULTI-CAR		TRAINLOAD				
WEIGHT GROUP	NUMBER	(%)	NUMBER	(%)	NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	0	0	0	0	0	0	0	0	0
40000- 60000	0	0	0	0	0	0	0	0	0
60000- 80000	2	7	0	0	0	0	149	0	0
80000-100000	11	38	0	0	0	0	188	0	0
100000-120000	14	48	0	0	0	0	196	0	0
120000-140000	2	7	0	0	0	0	234	0	0
TOTAL	29	100	0	0	0	0	192	0	0

TABLE 261

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	0	0	0	0	0	0	0	0	0
201 - 300	1	9	0	0	0	0	107	0	0
301 - 400	3	27	0	0	0	0	183	0	0
401 - 500	2	18	0	0	0	0	127	0	0
501 - 750	3	27	0	0	0	0	165	0	0
751 - 1000	1	9	0	0	0	0	150	0	0
1001 - 1500	1	9	0	0	0	0	163	0	0
1501 - 2000	0	0	0	0	0	0	0	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	11	100	0	0	0	0	156	0	0

TABLE 262

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	1	1	0	0	0	0	107	0	0
101 - 200	1	1	0	0	0	0	183	0	0
201 - 300	2	2	0	0	0	0	127	0	0
301 - 400	1	1	0	0	0	0	95	0	0
401 - 500	9	11	0	0	0	0	189	0	0
501 - 750	9	11	0	0	0	0	194	0	0
751 - 1000	19	22	0	0	0	0	156	0	0
1001 - 1500	29	34	0	0	0	0	139	0	0
1501 - 2000	10	12	0	0	0	0	131	0	0
2001 - 2500	2	2	0	0	0	0	113	0	0
2501 - 3000	2	2	0	0	0	0	167	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	85	100	0	0	0	0	152	0	0

TABLE 263

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26214: WRAPPING PAPER,WRAPPERS OR COARSE PAPER

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	1	3	0	0	0	0	119	0	0
101 - 200	0	0	0	0	0	0	0	0	0
201 - 300	0	0	0	0	0	0	0	0	0
301 - 400	1	3	0	0	0	0	182	0	0
401 - 500	3	10	0	0	0	0	216	0	0
501 - 750	3	10	0	0	0	0	172	0	0
751 - 1000	11	38	0	0	0	0	198	0	0
1001 - 1500	7	24	0	0	0	0	194	0	0
1501 - 2000	3	10	0	0	0	0	188	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	29	100	0	0	0	0	192	0	0

TABLE 264

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES AND BY TYPE OF SHIPMENT

STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD

TOTAL MOVEMENTS	TOTAL U.S. (2)	OFFICIAL (3)	SOUTHERN (4)	WESTERN (5)
SINGLE-CAR	147	31	43	73
MULTIPLE CAR	0	0	0	0
TRAINLOAD	0	0	0	0
TOTAL	147	31	43	73

	TOTAL U.S.		OFFICIAL		SOUTHERN		WESTERN	
	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	1	1	0	0	1	2	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	1	1	0	0	1	2	0	0
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	8	5	4	13	2	5	2	3
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	8	5	4	13	2	5	2	3
CAR & CAR-MILE BASIS								
SINGLE-CAR	8	5	4	13	3	7	1	1
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	8	5	4	13	3	7	1	1
DOLLAR BASIS								
SINGLE-CAR	12	8	6	19	4	9	2	3
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	12	8	6	19	4	9	2	3

TABLE 265

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	4	6	7
95 - 99	1	4	2	5
100 - 109	2	13	12	6
110 - 119	7	11	9	11
120 - 129	4	13	11	10
130 - 139	5	31	21	23
140 - 149	10	30	24	28
150 - 159	6	12	22	19
160 - 169	19	16	12	15
170 - 179	15	6	15	13
180 - 229	70	6	11	9
230 & OVER	8	1	2	1
TOTAL:	147	147	147	147
	---	---	---	---
SIMPLE AVERAGE RATIO	179	139	144	143

TABLE 266

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD
OFFICIAL TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	2	2	3
95 - 99	0	2	2	3
100 - 109	2	7	8	6
110 - 119	4	2	1	1
120 - 129	2	2	2	1
130 - 139	4	5	4	6
140 - 149	1	5	3	4
150 - 159	1	2	3	2
160 - 169	5	0	2	1
170 - 179	1	0	0	0
180 - 229	7	3	2	3
230 & OVER	4	1	2	1
TOTAL:	31	31	31	31
SIMPLE AVERAGE RATIO	165	134	135	133

TABLE 267

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD
SOUTHERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	1	3	3
95 - 99	1	1	0	1
100 - 109	0	4	3	0
110 - 119	2	3	3	5
120 - 129	1	5	5	4
130 - 139	1	7	8	8
140 - 149	4	8	4	6
150 - 159	2	1	4	2
160 - 169	7	8	3	6
170 - 179	4	4	6	6
180 - 229	19	1	4	2
230 & OVER	2	0	0	0
TOTAL:	43	43	43	43
	---	---	---	---
SIMPLE AVERAGE RATIO	179	140	141	142

TABLE 268

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD
WESTERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	1	1	1
95 - 99	0	1	0	1
100 - 109	0	2	1	0
110 - 119	1	6	5	5
120 - 129	1	6	4	5
130 - 139	0	19	9	9
140 - 149	5	17	17	18
150 - 159	3	9	15	15
160 - 169	7	8	7	8
170 - 179	10	2	9	7
180 - 229	44	2	5	4
230 & OVER	2	0	0	0
TOTAL:	73	73	73	73
SIMPLE AVERAGE RATIO	185	141	149	148

TABLE 269

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	4	13	0	0	0	0	123	0	0
40000- 60000	0	0	0	0	0	0	0	0	0
60000- 80000	10	32	0	0	0	0	169	0	0
80000-100000	12	39	0	0	0	0	151	0	0
100000-120000	2	6	0	0	0	0	277	0	0
120000-140000	2	6	0	0	0	0	175	0	0
140000-160000	1	3	0	0	0	0	211	0	0
TOTAL	31	100	0	0	0	0	165	0	0

TABLE 270

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	4	9	0	0	0	0	119	0	0
40000- 60000	2	5	0	0	0	0	160	0	0
60000- 80000	3	7	0	0	0	0	183	0	0
80000-100000	8	19	0	0	0	0	166	0	0
100000-120000	22	51	0	0	0	0	189	0	0
120000-140000	4	9	0	0	0	0	211	0	0
140000-160000	0	0	0	0	0	0	0	0	0
TOTAL	43	100	0	0	0	0	178	0	0

TABLE 271

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	0	0	0	0	0	0	0	0	0
40000- 60000	0	0	0	0	0	0	0	0	0
60000- 80000	1	1	0	0	0	0	168	0	0
80000-100000	5	7	0	0	0	0	165	0	0
100000-120000	38	52	0	0	0	0	180	0	0
120000-140000	27	37	0	0	0	0	197	0	0
140000-160000	2	3	0	0	0	0	174	0	0
TOTAL	73	100	0	0	0	0	185	0	0

TABLE 272

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	2	6	0	0	0	0	116	0	0
101 - 200	3	10	0	0	0	0	224	0	0
201 - 300	7	23	0	0	0	0	167	0	0
301 - 400	5	16	0	0	0	0	154	0	0
401 - 500	4	13	0	0	0	0	146	0	0
501 - 750	6	19	0	0	0	0	180	0	0
751 - 1000	3	10	0	0	0	0	130	0	0
1001 - 1500	1	3	0	0	0	0	211	0	0
1501 - 2000	0	0	0	0	0	0	0	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	31	100	0	0	0	0	165	0	0

TABLE 273

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	2	5	0	0	0	0	212	0	0
201 - 300	3	7	0	0	0	0	177	0	0
301 - 400	1	2	0	0	0	0	163	0	0
401 - 500	6	14	0	0	0	0	202	0	0
501 - 750	7	16	0	0	0	0	178	0	0
751 - 1000	9	21	0	0	0	0	170	0	0
1001 - 1500	11	26	0	0	0	0	175	0	0
1501 - 2000	4	9	0	0	0	0	155	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	43	100	0	0	0	0	178	0	0

TABLE 274

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26311: FIBERBOARD, PAPERBOARD OR PULPBOARD

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	1	1	0	0	0	0	229	0	0
201 - 300	2	3	0	0	0	0	180	0	0
301 - 400	4	5	0	0	0	0	173	0	0
401 - 500	3	4	0	0	0	0	184	0	0
501 - 750	19	26	0	0	0	0	196	0	0
751 - 1000	20	27	0	0	0	0	191	0	0
1001 - 1500	17	23	0	0	0	0	177	0	0
1501 - 2000	3	4	0	0	0	0	148	0	0
2001 - 2500	4	5	0	0	0	0	164	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	73	100	0	0	0	0	185	0	0

TABLE 275

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES AND BY TYPE OF SHIPMENT

STCC 26400: CONVERTED PAPER OR PAPERBOARD

	TOTAL U.S. (2)		OFFICIAL (3)		SOUTHERN (4)		WESTERN (5)	
TOTAL MOVEMENTS								
SINGLE-CAR	284		63		112		109	
MULTIPLE CAR	0		0		0		0	
TRAINLOAD	0		0		0		0	
TOTAL	284		63		112		109	
	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	45	16	18	29	13	12	14	13
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	45	16	18	29	13	12	14	13
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	94	33	33	52	24	21	37	34
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	94	33	33	52	24	21	37	34
CAR & CAR-MILE BASIS								
SINGLE-CAR	172	61	55	87	50	45	67	61
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	172	61	55	87	50	45	67	61
DOLLAR BASIS								
SINGLE-CAR	145	51	49	78	38	34	58	53
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	145	51	49	78	38	34	58	53

TABLE 276

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26400: CONVERTED PAPER OR PAPERBOARD
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	34	77	149	126
95 - 99	11	17	23	19
100 - 109	35	54	27	50
110 - 119	46	42	25	21
120 - 129	42	24	28	27
130 - 139	30	26	12	17
140 - 149	16	18	8	10
150 - 159	22	10	3	3
160 - 169	16	4	5	5
170 - 179	12	7	2	4
180 - 229	18	4	1	1
230 & OVER	2	1	1	1
TOTAL:	284	284	284	284
	---	---	---	---
SIMPLE AVERAGE RATIO	129	113	100	103

TABLE 277

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26400: CONVERTED PAPER OR PAPERBOARD
OFFICIAL TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	15	28	50	40
95 - 99	3	5	5	9
100 - 109	11	15	3	8
110 - 119	12	9	1	2
120 - 129	14	4	3	3
130 - 139	3	1	0	0
140 - 149	1	1	1	1
150 - 159	3	0	0	0
160 - 169	0	0	0	0
170 - 179	1	0	0	0
180 - 229	0	0	0	0
230 & OVER	0	0	0	0
TOTAL:	63	63	63	63
	---	---	---	---
SIMPLE AVERAGE RATIO	111	98	86	89

TABLE 278

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26400: CONVERTED PAPER OR PAPERBOARD
SOUTHERN TERRITORY
WEIGHT GROUP: ALL COMBINED

		RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	9	21	43	32
95 - 99	4	3	7	6
100 - 109	7	15	13	25
110 - 119	12	19	17	10
120 - 129	17	13	16	16
130 - 139	16	14	6	11
140 - 149	7	11	5	5
150 - 159	13	7	0	2
160 - 169	10	2	3	2
170 - 179	7	5	2	3
180 - 229	10	2	0	0
230 & OVER	0	0	0	0
TOTAL:	112	112	112	112
	---	---	---	---
SIMPLE AVERAGE RATIO	138	121	106	110

TABLE 279

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26400: CONVERTED PAPER OR PAPERBOARD
WESTERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	10	28	56	54
95 - 99	4	9	11	4
100 - 109	17	24	11	17
110 - 119	22	14	7	9
120 - 129	11	7	9	8
130 - 139	11	11	6	6
140 - 149	8	6	2	4
150 - 159	6	3	3	1
160 - 169	6	2	2	3
170 - 179	4	2	0	1
180 - 229	8	2	1	1
230 & OVER	2	1	1	1
TOTAL:	109	109	109	109
	---	---	---	---
SIMPLE AVERAGE RATIO	131	114	101	104

TABLE 280

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26400: CONVERTED PAPER OR PAPERBOARD

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	54	86	0	0	0	0	106	0	0
40000- 60000	1	2	0	0	0	0	80	0	0
60000- 80000	6	10	0	0	0	0	135	0	0
80000-100000	1	2	0	0	0	0	175	0	0
100000-120000	1	2	0	0	0	0	154	0	0
TOTAL	63	100	0	0	0	0	110	0	0

TABLE 281

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26400: CONVERTED PAPER OR PAPERBOARD

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	73	65	0	0	0	0	130	0	0
40000- 60000	22	20	0	0	0	0	138	0	0
60000- 80000	17	15	0	0	0	0	170	0	0
80000-100000	0	0	0	0	0	0	0	0	0
100000-120000	0	0	0	0	0	0	0	0	0
TOTAL	112	100	0	0	0	0	137	0	0

TABLE 282

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26400: CONVERTED PAPER OR PAPERBOARD

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR		MULTI-CAR		TRAINLOAD		SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
	NUMBER	(%)	NUMBER	(%)	NUMBER	(%)			
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	58	53	0	0	0	0	117	0	0
40000- 60000	43	39	0	0	0	0	138	0	0
60000- 80000	7	6	0	0	0	0	184	0	0
80000-100000	1	1	0	0	0	0	203	0	0
100000-120000	0	0	0	0	0	0	0	0	0
TOTAL	109	100	0	0	0	0	130	0	0

TABLE 283

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26400: CONVERTED PAPER OR PAPERBOARD

ORIGINATING TERRITORY: OFFICIAL

MILEAGE BLOCK	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	2	3	0	0	0	0	87	0	0
101 - 200	3	5	0	0	0	0	105	0	0
201 - 300	5	8	0	0	0	0	99	0	0
301 - 400	11	17	0	0	0	0	118	0	0
401 - 500	6	10	0	0	0	0	105	0	0
501 - 750	5	8	0	0	0	0	98	0	0
751 - 1000	7	11	0	0	0	0	112	0	0
1001 - 1500	16	25	0	0	0	0	121	0	0
1501 - 2000	8	13	0	0	0	0	106	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	63	100	0	0	0	0	110	0	0

TABLE 284

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26400: CONVERTED PAPER OR PAPERBOARD

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	2	2	0	0	0	0	96	0	0
101 - 200	2	2	0	0	0	0	134	0	0
201 - 300	5	4	0	0	0	0	155	0	0
301 - 400	11	10	0	0	0	0	149	0	0
401 - 500	11	10	0	0	0	0	146	0	0
501 - 750	26	23	0	0	0	0	149	0	0
751 - 1000	19	17	0	0	0	0	136	0	0
1001 - 1500	32	29	0	0	0	0	126	0	0
1501 - 2000	4	4	0	0	0	0	108	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	112	100	0	0	0	0	137	0	0

TABLE 285

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26400: CONVERTED PAPER OR PAPERBOARD

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	3	3	0	0	0	0	110	0	0
201 - 300	1	1	0	0	0	0	294	0	0
301 - 400	12	11	0	0	0	0	119	0	0
401 - 500	9	8	0	0	0	0	136	0	0
501 - 750	26	24	0	0	0	0	128	0	0
751 - 1000	14	13	0	0	0	0	142	0	0
1001 - 1500	34	31	0	0	0	0	127	0	0
1501 - 2000	7	6	0	0	0	0	124	0	0
2001 - 2500	2	2	0	0	0	0	145	0	0
2501 - 3000	1	1	0	0	0	0	142	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	109	100	0	0	0	0	130	0	0

TABLE 286

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES AND BY TYPE OF SHIPMENT

STCC 26431: PAPER BAGS

	TOTAL U.S.	OFFICIAL	SOUTHERN	WESTERN
	(2)	(3)	(4)	(5)
TOTAL MOVEMENTS				
SINGLE-CAR	73	10	37	26
MULTIPLE CAR	0	0	0	0
TRAINLOAD	0	0	0	0
TOTAL	73	10	37	26

	TOTAL U.S.		OFFICIAL		SOUTHERN		WESTERN	
	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	3	4	1	10	1	3	1	4
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	3	4	1	10	1	3	1	4
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	8	11	3	30	3	8	2	8
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	8	11	3	30	3	8	2	8
CAR & CAR-MILE BASIS								
SINGLE-CAR	16	22	5	50	7	19	4	15
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	16	22	5	50	7	19	4	15
DOLLAR BASIS								
SINGLE-CAR	10	14	4	40	3	8	3	12
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	10	14	4	40	3	8	3	12

TABLE 287

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26431: PAPER BAGS
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	2	5	12	8
95 - 99	1	3	4	2
100 - 109	1	7	7	13
110 - 119	5	9	12	10
120 - 129	7	13	15	13
130 - 139	8	13	9	11
140 - 149	9	11	5	7
150 - 159	12	3	3	1
160 - 169	7	2	4	5
170 - 179	9	5	1	2
180 - 229	11	2	1	1
230 & OVER	1	0	0	0
TOTAL:	73	73	73	73
	---	---	---	---
SIMPLE AVERAGE RATIO	154	130	120	123

TABLE 288

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26431: PAPER BAGS
OFFICIAL TERRITORY
WEIGHT GROUP: ALL COMBINED

		RATE-TO-FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	1	3	3	3
95 - 99	0	0	2	1
100 - 109	1	2	0	1
110 - 119	2	0	1	1
120 - 129	1	3	3	3
130 - 139	0	1	0	0
140 - 149	1	1	1	1
150 - 159	3	0	0	0
160 - 169	0	0	0	0
170 - 179	1	0	0	0
180 - 229	0	0	0	0
230 & OVER	0	0	0	0
TOTAL:	10	10	10	10
SIMPLE AVERAGE RATIO	132	111	107	107

TABLE 289

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26431: PAPER BAGS
SOUTHERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	1	7	3
95 - 99	1	2	0	0
100 - 109	0	3	4	9
110 - 119	2	6	8	5
120 - 129	4	7	8	7
130 - 139	6	8	4	6
140 - 149	4	5	2	3
150 - 159	6	1	0	0
160 - 169	5	0	3	2
170 - 179	4	3	1	2
180 - 229	5	1	0	0
230 & OVER	0	0	0	0
TOTAL:	37	37	37	37
	---	---	---	---
SIMPLE AVERAGE RATIO	155	131	120	123

TABLE 290

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26431: PAPER BAGS
WESTERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	1	1	2	2
95 - 99	0	1	2	1
100 - 109	0	2	3	3
110 - 119	1	3	3	4
120 - 129	2	3	4	3
130 - 139	2	4	5	5
140 - 149	4	5	2	3
150 - 159	3	2	3	1
160 - 169	2	2	1	3
170 - 179	4	2	0	0
180 - 229	6	1	1	1
230 & OVER	1	0	0	0
TOTAL:	26	26	26	26
	---	---	---	---
SIMPLE AVERAGE RATIO	161	136	125	128

TABLE 291

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26431: PAPER BAGS

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	1	10	0	0	0	0	102	0	0
40000- 60000	1	10	0	0	0	0	80	0	0
60000- 80000	6	60	0	0	0	0	135	0	0
80000-100000	1	10	0	0	0	0	175	0	0
100000-120000	1	10	0	0	0	0	154	0	0
TOTAL	10	100	0	0	0	0	132	0	0

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TABLE 292

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26431: PAPER BAGS

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	3	8	0	0	0	0	126	0	0
40000- 60000	17	46	0	0	0	0	144	0	0
60000- 80000	17	46	0	0	0	0	170	0	0
80000-100000	0	0	0	0	0	0	0	0	0
100000-120000	0	0	0	0	0	0	0	0	0
TOTAL	37	100	0	0	0	0	154	0	0

TABLE 293

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26431: PAPER BAGS

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	2	8	0	0	0	0	150	0	0
40000- 60000	16	62	0	0	0	0	149	0	0
60000- 80000	7	27	0	0	0	0	184	0	0
80000-100000	1	4	0	0	0	0	203	0	0
100000-120000	0	0	0	0	0	0	0	0	0
TOTAL	26	100	0	0	0	0	161	0	0

TABLE 294

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26431: PAPER BAGS

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	1	10	0	0	0	0	60	0	0
101 - 200	0	0	0	0	0	0	0	0	0
201 - 300	0	0	0	0	0	0	0	0	0
301 - 400	5	50	0	0	0	0	143	0	0
401 - 500	2	20	0	0	0	0	123	0	0
501 - 750	1	10	0	0	0	0	153	0	0
751 - 1000	1	10	0	0	0	0	124	0	0
1001 - 1500	0	0	0	0	0	0	0	0	0
1501 - 2000	0	0	0	0	0	0	0	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3501 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	10	100	0	0	0	0	132	0	0

TABLE 295

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26431: PAPER BAGS

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	0	0	0	0	0	0	0	0	0
201 - 300	4	11	0	0	0	0	147	0	0
301 - 400	2	5	0	0	0	0	153	0	0
401 - 500	5	14	0	0	0	0	166	0	0
501 - 750	7	19	0	0	0	0	166	0	0
751 - 1000	6	16	0	0	0	0	175	0	0
1001 - 1500	12	32	0	0	0	0	136	0	0
1501 - 2000	1	3	0	0	0	0	135	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	37	100	0	0	0	0	154	0	0

TABLE 296

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26431: PAPER BAGS

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	0	0	0	0	0	0	0	0	0
201 - 300	0	0	0	0	0	0	0	0	0
301 - 400	2	8	0	0	0	0	193	0	0
401 - 500	3	12	0	0	0	0	175	0	0
501 - 750	5	19	0	0	0	0	160	0	0
751 - 1000	5	19	0	0	0	0	157	0	0
1001 - 1500	11	42	0	0	0	0	153	0	0
1501 - 2000	0	0	0	0	0	0	0	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 + OVER	0	0	0	0	0	0	0	0	0
TOTAL	26	100	0	0	0	0	161	0	0

TABLE 297

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES AND BY TYPE OF SHIPMENT

STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS

	TOTAL U.S.		OFFICIAL		SOUTHERN		WESTERN	
	(2)		(3)		(4)		(5)	
TOTAL MOVEMENTS								
SINGLE-CAR	188		53		54		81	
MULTIPLE CAR	0		0		0		0	
TRAINLOAD	0		0		0		0	
TOTAL	188		53		54		81	
	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	40	21	17	32	10	19	13	16
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	40	21	17	32	10	19	13	16
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	81	43	30	57	17	31	34	42
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	81	43	30	57	17	31	34	42
CAR & CAR-MILE BASIS								
SINGLE-CAR	145	77	50	94	33	61	62	77
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	145	77	50	94	33	61	62	77
DOLLAR BASIS								
SINGLE-CAR	125	66	45	85	26	48	54	67
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	125	66	45	85	26	48	54	67

TABLE 298

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	30	68	126	108
95 - 99	10	13	19	17
100 - 109	31	42	17	34
110 - 119	36	31	11	9
120 - 129	34	9	8	11
130 - 139	19	12	3	3
140 - 149	7	4	2	3
150 - 159	6	4	0	1
160 - 169	7	1	1	0
170 - 179	2	2	0	1
180 - 229	5	1	0	0
230 & OVER	1	1	1	1
TOTAL:	188	188	188	188
SIMPLE AVERAGE RATIO	119	105	91	95

TABLE 299

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS
OFFICIAL TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	14	25	47	37
95 - 99	3	5	3	8
100 - 109	10	13	3	7
110 - 119	10	9	0	1
120 - 129	13	1	0	0
130 - 139	3	0	0	0
140 - 149	0	0	0	0
150 - 159	0	0	0	0
160 - 169	0	0	0	0
170 - 179	0	0	0	0
180 - 229	0	0	0	0
230 & OVER	0	0	0	0
TOTAL:	53	53	53	53
SIMPLE AVERAGE RATIO	107	95	82	86

TABLE 300

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS
SOUTHERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	7	16	26	20
95 - 99	3	1	7	6
100 - 109	5	7	6	13
110 - 119	5	11	8	4
120 - 129	12	4	3	6
130 - 139	7	6	2	2
140 - 149	3	3	2	2
150 - 159	4	3	0	1
160 - 169	3	1	0	0
170 - 179	2	2	0	0
180 - 229	3	0	0	0
230 + OVER	0	0	0	0
TOTAL:	54	54	54	54
SIMPLE AVERAGE RATIO	127	114	97	101

TABLE 301

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS
WESTERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	9	27	53	51
95 - 99	4	7	9	3
100 - 109	16	22	8	14
110 - 119	21	11	3	4
120 - 129	9	4	5	5
130 - 139	9	6	1	1
140 - 149	4	1	0	1
150 - 159	2	1	0	0
160 - 169	4	0	1	0
170 - 179	0	0	0	1
180 - 229	2	1	0	0
230 & OVER	1	1	1	1
TOTAL:	81	81	81	81
	---	---	---	---
SIMPLE AVERAGE RATIO	121	106	93	96

TABLE 302

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	53	100	0	0	0	0	106	0	0
40000- 60000	0	0	0	0	0	0	0	0	0
TOTAL	53	100	0	0	0	0	106	0	0

TABLE 303

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
	SINGLE-CAR		MULTI-CAR		TRAINLOAD				
WEIGHT GROUP	NUMBER	(%)	NUMBER	(%)	NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	49	91	0	0	0	0	128	0	0
40000- 60000	5	9	0	0	0	0	120	0	0
TOTAL	54	100	0	0	0	0	127	0	0

TABLE 304

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	54	67	0	0	0	0	115	0	0
40000- 60000	27	33	0	0	0	0	131	0	0
TOTAL	81	100	0	0	0	0	120	0	0

TABLE 305

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	SINGLE-CAR (%)	MULTI-CAR NUMBER	MULTI-CAR (%)	TRAINLOAD NUMBER	TRAINLOAD (%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	1	2	0	0	0	0	94	0	0
101 - 200	3	6	0	0	0	0	105	0	0
201 - 300	5	9	0	0	0	0	99	0	0
301 - 400	6	11	0	0	0	0	97	0	0
401 - 500	4	8	0	0	0	0	97	0	0
501 - 750	4	8	0	0	0	0	84	0	0
751 - 1000	6	11	0	0	0	0	110	0	0
1001 - 1500	16	30	0	0	0	0	121	0	0
1501 - 2000	8	15	0	0	0	0	106	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	53	100	0	0	0	0	106	0	0

TABLE 306

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	2	4	0	0	0	0	96	0	0
101 - 200	2	4	0	0	0	0	134	0	0
201 - 300	1	2	0	0	0	0	186	0	0
301 - 400	5	9	0	0	0	0	167	0	0
401 - 500	5	9	0	0	0	0	135	0	0
501 - 750	14	26	0	0	0	0	134	0	0
751 - 1000	10	19	0	0	0	0	115	0	0
1001 - 1500	14	26	0	0	0	0	113	0	0
1501 - 2000	1	2	0	0	0	0	96	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	54	100	0	0	0	0	127	0	0

TABLE 307

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26471: SANITARY TISSUE OR HEALTH PRODUCTS

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	3	4	0	0	0	0	110	0	0
201 - 300	1	1	0	0	0	0	294	0	0
301 - 400	9	11	0	0	0	0	104	0	0
401 - 500	6	7	0	0	0	0	116	0	0
501 - 750	21	26	0	0	0	0	120	0	0
751 - 1000	8	10	0	0	0	0	131	0	0
1001 - 1500	23	28	0	0	0	0	114	0	0
1501 - 2000	7	9	0	0	0	0	124	0	0
2001 - 2500	2	2	0	0	0	0	145	0	0
2501 - 3000	1	1	0	0	0	0	142	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	81	100	0	0	0	0	120	0	0

TABLE 308

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES AND BY TYPE OF SHIPMENT

STCC 26500: CONTAINERS OR BOXES, PAPERBOARD

	TOTAL U.S. (2)		OFFICIAL (3)		SOUTHERN (4)		WESTERN (5)	
TOTAL MOVEMENTS								
SINGLE-CAR	75		49		13		13	
MULTIPLE CAR	0		0		0		0	
TRAINLOAD	0		0		0		0	
TOTAL	75		49		13		13	
	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	21	28	14	29	3	23	4	31
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	21	28	14	29	3	23	4	31
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	33	44	26	53	3	23	4	31
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	33	44	26	53	3	23	4	31
CAR & CAR-MILE BASIS								
SINGLE-CAR	48	64	33	67	7	54	8	62
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	48	64	33	67	7	54	8	62
DOLLAR BASIS								
SINGLE-CAR	47	63	33	67	7	54	7	54
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	47	63	33	67	7	54	7	54

TABLE 309

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26500: CONTAINERS OR BOXES, PAPERBOARD
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	18	31	40	39
95 - 99	3	2	8	8
100 - 109	9	11	12	10
110 - 119	10	12	7	8
120 - 129	11	9	3	6
130 - 139	10	5	3	2
140 - 149	5	2	0	0
150 - 159	5	1	0	0
160 - 169	1	1	1	1
170 - 179	1	0	0	0
180 - 229	1	0	0	0
230 & OVER	1	1	1	1
TOTAL:	75	75	75	75
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SIMPLE AVERAGE RATIO	119	105	94	95

TABLE 310

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26500: CONTAINERS OR BOXES, PAPERBOARD
OFFICIAL TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	13	24	30	30
95 - 99	1	2	3	3
100 - 109	9	7	7	5
110 - 119	8	5	5	5
120 - 129	3	5	2	5
130 - 139	7	4	2	1
140 - 149	3	2	0	0
150 - 159	4	0	0	0
160 - 169	1	0	0	0
170 - 179	0	0	0	0
180 - 229	0	0	0	0
230 & OVER	0	0	0	0
TOTAL:	49	49	49	49
SIMPLE AVERAGE RATIO	113	100	89	91

TABLE 311

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26500: CONTAINERS OR BOXES, PAPERBOARD
SOUTHERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	1	3	5	5
95 - 99	2	0	2	2
100 - 109	0	2	4	3
110 - 119	2	5	0	1
120 - 129	3	1	0	0
130 - 139	2	0	1	1
140 - 149	1	0	0	0
150 - 159	0	1	0	0
160 - 169	0	1	1	1
170 - 179	1	0	0	0
180 - 229	1	0	0	0
230 & OVER	0	0	0	0
TOTAL:	13	13	13	13
SIMPLE AVERAGE RATIO	129	113	101	102

TABLE 312

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 26500: CONTAINERS OR BOXES, PAPERBOARD
WESTERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	4	4	5	4
95 - 99	0	0	3	3
100 - 109	0	2	1	2
110 - 119	0	2	2	2
120 - 129	5	3	1	1
130 - 139	1	1	0	0
140 - 149	1	0	0	0
150 - 159	1	0	0	0
160 - 169	0	0	0	0
170 - 179	0	0	0	0
180 - 229	0	0	0	0
230 & OVER	1	1	1	1
TOTAL:	13	13	13	13
	---	---	---	---
SIMPLE AVERAGE RATIO	131	115	104	104

TABLE 313

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26500: CONTAINERS OR BOXES, PAPERBOARD

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	5	10	0	0	0	0	99	0	0
20000- 40000	25	51	0	0	0	0	104	0	0
40000- 60000	14	29	0	0	0	0	133	0	0
60000- 80000	5	10	0	0	0	0	113	0	0
TOTAL	49	100	0	0	0	0	113	0	0

TABLE 314

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26500: CONTAINERS OR BOXES, PAPERBOARD

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	7	54	0	0	0	0	111	0	0
40000- 60000	5	38	0	0	0	0	137	0	0
60000- 80000	1	8	0	0	0	0	204	0	0
TOTAL	13	100	0	0	0	0	128	0	0

TABLE 315

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS (SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 26500: CONTAINERS OR BOXES, PAPERBOARD

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	1	8	0	0	0	0	128	0	0
20000- 40000	10	77	0	0	0	0	112	0	0
40000- 60000	1	8	0	0	0	0	156	0	0
60000- 80000	1	8	0	0	0	0	299	0	0
TOTAL	13	100	0	0	0	0	131	0	0

TABLE 316

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26500: CONTAINERS OR BOXES, PAPERBOARD

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	2	4	0	0	0	0	82	0	0
101 - 200	5	10	0	0	0	0	129	0	0
201 - 300	4	8	0	0	0	0	100	0	0
301 - 400	7	14	0	0	0	0	123	0	0
401 - 500	5	10	0	0	0	0	137	0	0
501 - 750	9	18	0	0	0	0	117	0	0
751 - 1000	5	10	0	0	0	0	120	0	0
1001 - 1500	9	18	0	0	0	0	97	0	0
1501 - 2000	3	6	0	0	0	0	82	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3501 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	49	100	0	0	0	0	113	0	0

TABLE 317

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26500: CONTAINERS OR BOXES, PAPERBOARD

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	2	15	0	0	0	0	112	0	0
201 - 300	1	8	0	0	0	0	110	0	0
301 - 400	4	31	0	0	0	0	118	0	0
401 - 500	1	8	0	0	0	0	204	0	0
501 - 750	2	15	0	0	0	0	152	0	0
751 - 1000	0	0	0	0	0	0	0	0	0
1001 - 1500	3	23	0	0	0	0	119	0	0
1501 - 2000	0	0	0	0	0	0	0	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	13	100	0	0	0	0	128	0	0

TABLE 318

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 26500: CONTAINERS OR BOXES, PAPERBOARD

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	2	15	0	0	0	0	99	0	0
201 - 300	1	8	0	0	0	0	94	0	0
301 - 400	2	15	0	0	0	0	139	0	0
401 - 500	2	15	0	0	0	0	130	0	0
501 - 750	2	15	0	0	0	0	120	0	0
751 - 1000	4	31	0	0	0	0	159	0	0
1001 - 1500	0	0	0	0	0	0	0	0	0
1501 - 2000	0	0	0	0	0	0	0	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	13	100	0	0	0	0	131	0	0

TABLE 319

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR PAPER
ALL TERRITORIES
WEIGHT GROUP: 0- 20000(POUNDS)

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	2	4	5	4
95 - 99	0	0	0	1
100 - 109	2	0	2	1
110 - 119	0	1	0	1
120 - 129	2	2	0	0
130 - 139	1	0	0	0
140 - 149	0	0	0	0
150 - 159	0	0	0	0
160 - 169	0	0	0	0
170 - 179	0	0	0	0
180 - 229	0	0	0	0
230 & OVER	0	0	0	0
TOTAL:	7	7	7	7
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SIMPLE AVERAGE RATIO	107	98	84	86

TABLE 320

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR PAPER
ALL TERRITORIES
WEIGHT GROUP: 20000- 40000(POUNDS)

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	49	100	174	155
95 - 99	16	16	23	22
100 - 109	44	54	22	40
110 - 119	47	39	18	12
120 - 129	37	13	11	15
130 - 139	27	15	3	6
140 - 149	7	6	3	2
150 - 159	14	7	0	2
160 - 169	5	2	0	0
170 - 179	4	2	1	1
180 - 229	5	1	0	0
230 & OVER	1	1	1	1
TOTAL:	256	256	256	256
	---	---	---	---
SIMPLE AVERAGE RATIO	116	104	90	93

TABLE 321

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR PAPER
ALL TERRITORIES
WEIGHT GROUP: 40000- 60000(POUNDS)

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	5	19	43	37
95 - 99	2	11	10	8
100 - 109	9	19	25	28
110 - 119	22	24	21	20
120 - 129	15	24	21	26
130 - 139	22	21	7	6
140 - 149	18	6	1	3
150 - 159	18	4	1	1
160 - 169	11	1	3	2
170 - 179	4	2	0	1
180 - 229	6	1	0	0
230 & OVER	0	0	0	0
TOTAL:	132	132	132	132
	---	---	---	---
SIMPLE AVERAGE RATIO	136	117	105	106

TABLE 322

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR PAPER
ALL TERRITORIES
WEIGHT GROUP: 60000- 80000(POUNDS)

RATIO (1) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	2	12	15	14
95 - 99	0	4	5	6
100 - 109	4	10	13	11
110 - 119	9	10	9	11
120 - 129	9	15	21	16
130 - 139	8	16	20	20
140 - 149	9	25	13	16
150 - 159	15	6	8	8
160 - 169	12	7	5	5
170 - 179	17	3	1	3
180 - 229	25	5	3	3
230 & OVER	4	1	1	1
TOTAL:	114	114	114	114
	---	---	---	---
SIMPLE AVERAGE RATIO	161	132	126	128

TABLE 323

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR PAPER
ALL TERRITORIES
WEIGHT GROUP: 80000-100000(POUNDS)

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	2	2	2
95 - 99	0	4	1	4
100 - 109	2	7	10	5
110 - 119	2	10	11	12
120 - 129	2	15	12	14
130 - 139	5	20	23	17
140 - 149	11	19	13	18
150 - 159	11	21	22	20
160 - 169	13	10	12	13
170 - 179	18	6	7	8
180 - 229	50	1	2	2
230 & OVER	1	0	0	0
TOTAL:	115	115	115	115
SIMPLE AVERAGE RATIO	175	138	139	140

TABLE 324

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR PAPER
ALL TERRITORIES
WEIGHT GROUP: 100000-120000(POUNDS)

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	1	1	1
95 - 99	0	3	1	1
100 - 109	0	4	4	3
110 - 119	1	7	5	6
120 - 129	3	13	8	8
130 - 139	2	17	17	18
140 - 149	5	28	20	23
150 - 159	6	14	26	21
160 - 169	13	11	9	13
170 - 179	15	7	9	8
180 - 229	61	10	13	12
230 & OVER	10	1	3	2
TOTAL:	116	116	116	116
	---	---	---	---
SIMPLE AVERAGE RATIO	189	146	152	151

TABLE 325

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR PAPER
ALL TERRITORIES
WEIGHT GROUP: 120000-140000(POUNDS)

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	0	0	0
95 - 99	0	0	0	0
100 - 109	0	6	0	0
110 - 119	0	4	5	7
120 - 129	0	2	5	3
130 - 139	0	10	1	2
140 - 149	6	9	9	9
150 - 159	3	8	8	10
160 - 169	1	12	5	8
170 - 179	4	6	15	13
180 - 229	39	7	16	12
230 & OVER	11	0	0	0
TOTAL:	64	64	64	64
	---	---	---	---
SIMPLE AVERAGE RATIO	201	150	163	159

TABLE 326

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR PAPER
ALL TERRITORIES
WEIGHT GROUP: 140000-160000(POUNDS)

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	0	0	0
95 - 99	0	0	0	0
100 - 109	0	1	0	0
110 - 119	0	1	1	1
120 - 129	0	3	0	1
130 - 139	0	0	2	4
140 - 149	1	3	2	1
150 - 159	0	5	2	1
160 - 169	3	0	4	4
170 - 179	2	2	2	1
180 - 229	7	8	6	8
230 & OVER	11	1	5	3
TOTAL:	24	24	24	24
	---	---	---	---
SIMPLE AVERAGE RATIO	224	167	185	179

TABLE 327

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR PAPER
ALL TERRITORIES
WEIGHT GROUP: 160000-180000(POUNDS)

		RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	0	0	0
95 - 99	0	0	0	0
100 - 109	0	0	0	0
110 - 119	0	1	0	1
120 - 129	0	2	1	2
130 - 139	0	0	1	0
140 - 149	1	2	1	0
150 - 159	1	0	0	2
160 - 169	1	2	2	0
170 - 179	0	0	0	2
180 - 229	4	2	4	2
230 & OVER	2	0	0	0
TOTAL:	9	9	9	9
	---	---	---	---
SIMPLE AVERAGE RATIO	198	151	169	158

TABLE 328

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR PAPER
ALL TERRITORIES
WEIGHT GROUP: 180000-200000(POUNDS)

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	0	0	0
95 - 99	0	0	0	0
100 - 109	0	0	0	0
110 - 119	0	0	0	0
120 - 129	0	0	0	0
130 - 139	0	0	0	0
140 - 149	0	0	0	0
150 - 159	0	0	0	0
160 - 169	0	0	0	0
170 - 179	0	0	0	0
180 - 229	0	3	3	3
230 & OVER	3	0	0	0
TOTAL:	3	3	3	3
	---	---	---	---
SIMPLE AVERAGE RATIO	258	187	217	206

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EX PARTE NO. 270 (SUB-NO. 7)

INVESTIGATION OF THE RAILROAD FREIGHT RATE STRUCTURE—LUMBER AND LUMBER PRODUCTS

Decided August 9, 1977

1. Upon investigation of the railroad freight rate structures on lumber and lumber products, and in particular the effect of general freight rate increases thereon, examined the technical and economic aspects of lumber production, marketing, and consumption; made extensive revenue-cost comparisons; and composed other material measuring the reasonableness of the freight rate structures on lumber and lumber products.
2. Upon consideration of the record, found that housing starts and changes in per capita income, and not fluctuations in the freight rate for lumber and lumber products, primarily affect the demand for, and movement of, lumber; that the rate structure from the West (blanket) is fundamentally different from the southern rate structure (mileage-related rates) and both the Commission and carriers have had to make sensitive adjustments to continue competition from each of these major producing areas; that the Commission has ordered holddowns in general increase cases when it determined that the full application of the proposed increase would seriously affect the ability of the western shippers to market their product in midwestern and eastern territories; that it has allowed application of general increases when it determined that such increases would not impair the marketing of western lumber and that the revenue needs of the carriers warranted it; that there should be no holddown formula tying southern rate increases to western holddowns nor any other fixed relationship between these two regions; that the Commission should consider any future general rate increase within the existing economic climate, including the nature of the housing industry, and grant or refuse holddowns as the comparative needs of the carriers and shippers warrant; that the lumber list, promulgated by the Commission in *Rates on Lumber and Lumber Products*, 52 I.C.C. 598 (1919), is still a valid concept, but there should be flexibility in its application and departure allowed where conditions, such as different transportation conditions or strong or negligible competition from other modes, warrant; that the overall freight rate structure on lumber and lumber products is compensatory and not unreasonably high, but that some individual rates are noncompensatory and others are abnormally high; that the carriers have been innovative and have shown concern for shipper needs as witnessed by the incentive rates, specialized equipment, blanket rates, and holddowns; that, on the whole, general rate increases on lumber and lumber products have not been self-defeating with respect to generating revenues, although the rail share of total traffic from the western and southern producing regions has in almost all instances been steadily declining; that there has been, however, a net growth in gross revenues for the carriers in both regions; that the

application of general increases authorized by the Commission has not caused any substantial distortions in the freight rate structure but that some distortions in the freight rate structure exist which have evolved apart from the general freight increases and which have been amplified by such general increases, and such distortions should be brought to the Commission's attention in future general increase proceedings and be given the closest scrutiny; that general increases on lumber and lumber products have not been shown to be insufficient to induce the railroads to undertake improvements in service to meet shippers' requirements; and that the circuitous routing of freight cars should be studied for possible future corrective action.

3. Appropriate recommendations consistent with the findings made.
4. Order entered closing the Sub-No. 7 proceeding.

H. B. Barnes, Oscar Becker, O. W. Cobb, Timothy M. Curran, Charles A. Darrell, Thomas J. Halpin, and *James H. Huddleston* for respondent railroads.

Aqeel A. Khan, Joel S. Litsky, Joseph S. Lynch, Gilbert A. Mehling, William R. Southard, Frances C. Taylor, and *Harter W. Williams* for Special Projects Staff, Bureau of Investigations and Enforcement.

Duane A. Bartsek, J. C. Harper, Marion B. Jones, Karl W. Lindberg, James G. Manning, Paul G. McQuiston, Richard W. Remmert, Charles G. Streiff, and *Henry M. Wick, Jr.*, for shippers and other interested parties.

REPORT AND ORDER OF THE COORDINATOR

HARDIN, *Commissioner:*

This subnumbered proceeding, as noted in the prior report of the Coordinator in *Investigation of Railroad Freight Rate Structure*, 345 I.C.C. 1 (1973), was instituted to examine in detail the rate structure on lumber and lumber products. As the prior report noted, the main objectives of this proceeding are to study:

1. The possible self-defeating nature of general rate increases on lumber and lumber products with respect to generating revenues.
2. Any disparities and distortions in rate relationships caused by general rate increases on lumber and lumber products.
3. The uneven effects of general freight rate increases on lumber and lumber products on individual railroads.
4. The effect of such general increases on lumber and lumber products on railroad incentive to improve service in line with shipper requirements.

As the prior report further noted, the ultimate objective of this investigation of the railroad freight rate structure on lumber and lumber products is to take any corrective action that may be shown to be necessary. Such corrective action may take a number of forms: requiring particular rates to be increased or decreased, supplementing the record in further rail general increase cases with the findings in this proceeding, considering these findings in individual rate proposals at the suspension or investigation level, or recommending statutory changes.

The evidence in this proceeding was developed under a nonadversary procedure. The method of presenting evidence was established by order of the Coordinator on March 14, 1975, and all persons were given a full opportunity initially to submit evidence they deemed appropriate, including evidence of cost of service. Parties were also given the opportunity to present evidence in rebuttal and surrebuttal. To promote a nonadversary atmosphere the parties were urged to consult with the Special Projects Counsel (SPC or Special Projects Staff (SPS)), and independent counsel appointed by the Commission to aid in developing a record in the public interest.

The March 14, 1975, order instituting this investigation directed the parties to submit evidence divided into six parts. These parts relate to the previously stated issues.

Under Part I, Railroad Freight Rate Structure on Lumber and Lumber Products, the parties were asked to provide the following evidence:

> A. Maps, diagrams, representative rates, and narratives depicting the freight rate structures and formulas upon which the freight rates on lumber and lumber products are based, reflecting rates at the Ex Parte No. 305 level; complete tariff references for all rates shown; evidence designed to show the traffic movements and the respondents' participation; representative and/or repetitive carload movements and multiple-car and trainload movements showing origin and territory of origin (official, western trunkline (WTL), or southern), destination, rate per net ton, minimum weight in pounds, actual loading in pounds, carload revenue, actual and short-line distances, net ton-mile earnings based on actual distance, revenue per car-mile, estimate of average number of cars per movement, car type as describe in Annual Report R-1, schedule 417, whether the car is carrier or shipper owned, estimate of total number of cars per year, and for multiple-car and trainload movements, the rate reduction over single-carload rate.

B. Evidence with respect to appendix A and, in particular, information pertaining to 15 enumerated comprehensive issues set forth on pages 2740-61, 9 enumerated questions set forth on pages 2740-61 and the issues raised in connection with the review material related to each chart.

Under Part II, Self-Defeating Nature of General Increases on Lumber and Lumber Products, the parties were given the following instructions:

A. Respondents were to show the general rate increases sought, those authorized by the Commission, and those actually applied by the carriers individually or any other rate change on all significant movements of lumber and lumber products beginning with and subsequent to Ex Parte No. 256 increases. Reasons for the application of increases less than those authorized as well as other rate changes were required to be set forth.

B. Evidence by any party designed to show that general rate increases on lumber and lumber products may or may not have been self-defeating in nature with respect to generating revenues was to be submitted.

Under Part III, Disparities and Distortions Caused by General Increases, the parties were given the following instructions: Evidence by any party relating to rate charges, affected by general rate increases, for the movement of lumber and lumber products beginning with and subsequent to Ex Parte No. 256 increases, which may have resulted in disparities or distortions between competing shippers and/or localities, was to be provided. This evidence was to be accompanied by formulas upon which the freight rates on lumber and lumber products are based and by complete tariff references for all rates shown. This evidence would specify any reason, if known, for such disparities and distortions.

Under Part IV, Uneven Effects of Increases on Individual Railroads, the parties were asked to present evidence designed to show the uneven revenue effects (if any) of general rate increases in freight rates on lumber and lumber products on individual railroads, why these results may have occurred, and what corrective action could be taken to remedy these effects.

Under Part V, Railroad Service, the parties were asked to present evidence bearing on the issue of whether general increases have provided sufficient revenues to induce the railroads to undertake improvements in service to meet shippers' requirements, and evidence as to whether the railroads, in their proposed rates in general rate increase proceedings, have taken into account possible variations in services being provided shippers.

Under Part VI, Matters Not Otherwise Listed, instructions given were that all parties should endeavor to submit their evidence under one or more of the categories listed in parts I through V above, including revenue/cost relationships. Evidence submitted under part VI would specifically indicate the purpose for which it is being introduced and the reason it does not come within one of the five foregoing categories. The principal focus of the investigation as set forth in the report of the Coordinator, 345 I.C.C. 1, was to be kept in mind.

HIGHLIGHTS OF THE REPORT

The following are the main highlights of the report:

-0- Furnishes the Commission, public interest groups, shippers, and carriers with detailed information concerning the freight rate structures on lumber and lumber products for future use.
-0- Describes the technical, economic, and environmental aspects of the lumber industry.
-0- Explores the relationship of the freight rate structure to the demand for lumber and lumber products.
-0- Contains 410 cost/revenue comparisons relating to the compensatory nature of representative or repetitive movements of lumber and lumber products.
-0- Analyzes cost evidence presented by the parties.
-0- Examines possible disparties and distortions within the freight rate structure on lumber and lumber products.
-0- Discusses the possible self-defeating nature of general increases, railroad service, and environmental matters.

At times in the report the editorial "we" is used. However, the report is the sole responsibility of the Coordinator and does not necessarily reflect the view of the Commission. This report will not become an order of the Commission by operation of law under the provisions of section 17(5) of the act. Rather this report and comments by concerned persons will form the basis of continuing study by this Commission's Bureau of Economics. Comments, if any, should be forwarded to the Commission, attention Bureau of Economics, Room 5355, within 90 days from the service of this report.

PART I

RAILROAD FREIGHT RATE STRUCTURE ON LUMBER AND LUMBER PRODUCTS

The purpose of part I is to give a detailed analysis of the railroad freight rate structure on lumber and lumber products. The material submitted for this task has been divided into five parts. Part I(A) will be a study of the economic and technical aspects of the lumber and lumber products industry. Part I(B) will be a historical study of the development of the freight rate structure on lumber from the two major producing regions, the West and the South. Part I(C) will be an analysis of the revenue yields and cost of service of the representative or repetitive movements submitted by the parties. Part I(D) will include the evidence submitted by the parties regarding the 15 enumerated comprehensive issues set forth in the Coordinator's March 14, 1975, order. Part I(E) will include any other material submitted by the parties under part I.

By order dated April 9, 1974, the Coordinator adopted the Special Projects Counsel (SPC) commodity groups as defining the ambit of Ex Parte No. 270. This subproceeding has been set up to deal with SPC commodity groups 48 through 54, inclusive. Table 1 gives the commodity group name and number as well as the Standard Transportation Commodity Code (STCC) and the Standard Industrial Classification (SIC) numbers for the products in this subproceeding. The STCC and SIC numbers are provided because they were also used by the parties. SPC commodity group 48 covers lumber; group 49 treated wood products; group 50 wood posts, poles, or piling; group 51 millwork and other lumber products; group 52 plywood or veneer; group 53 hardwood dimension stock and flooring; and group 54 covers wood particle board. A description of these commodities is found in appendix A. The Coordinator's April 9, 1974, order added that adoption of the SPC commodity groups "will not foreclose any party from presenting data on dissimilar groups, or from presenting data on commodities not included in a specific group."

TABLE 1

SPC, STCC, and SIC numbers for commodities

SPC	Description[1]	STCC	SIC
48	Lumber		
	Lumber, rough or dressed	24 211	24 21
	Shingles	24 291	24 29
49	Treated Wood Products		
	Hewn railroad or mine ties	24 112	24 11
	Wood mine props or mine timbers	24 118	24 11
	Sawed ties (railroad or mine)	24 212	24 21
	Ties, creosoted	24 912	24 91
	Treated wood products NEC	24 919	24 91
	Pole line cross arm	24 999 96	24 99
	Pole line cross arm braces	24 999 97	24 99
	Pole braces	24 999 98	24 99
	Paving blocks, wooden	29 511 65	29 51
50	Wood Posts, Poles or Piling		
	Wood posts, poles or pilings	24 116	24 11
	Wood posts, poles or pilings, treated	24 911	24 91
51	Millwork and Other Lumber Products		
	Lumber or dimension stock, NEC	24 219	24 21
	Cooperage stock	24 292	24 29
	Window units, wood	24 311	24 31
	Window sash, wood	24 312	24 31
	Window or door frames or jams, wood	24 313	24 31
	Door or shutter, wood	24 314	24 31
	Wood mouldings	24 316	24 31
	Millwork, NEC	24 319	24 31
	Hand tool handles	24 951	24 99
52	Plywood or Veneer		
	Plywood or veneer	24 321	[2]24 35 [3]24 36
53	Hardwood Dimension Stock and Flooring		
	Hardwood dimension stock	24 214	24 26
	Hardwood flooring	24 215	24 26
54	Wood Particle Board		
	Wood particle board	24 996	24 92

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[1] Descriptions taken from Standard Transportation Commodity Code Tariff No. 1-A, September 15, 1972.

[2] Hardwood.

[3] Softwood.

The commodities in table 1 are manufactured from two basic types of trees: hardwoods and softwoods. Hardwoods are broad-leaved trees, such as maple, ash, walnut, oak, and cherry, which are noted for their resiliency and used primarily in manufacturing, particularly of flooring, furniture, and veneer paneling. Softwoods are needle-leaved trees, such as white pine, ponderosa pine, Douglas-fir, spruce, cedar, hemlock, and southern pine, which are favored for general construction because of their flexiblity and capacity for retaining stable dimensions. Table 2 lists the major hardwood and softwood species.

TABLE 2

Major softwood lumber species

Western species	*Southern species*
Douglas-fir	Longleaf pine
Spruces	Shortleaf pine
Mountain hemlock	Slash pine
Western hemlock	Loblolly pine
Idaho white pine	
Incense cedar	
Larch	
Lodgepole pine	
Ponderosa pine	
Sugar pine	
True firs	
Western red cedar	
Redwood	

Major hardwood lumber species

Eastern species	*Southern species*
Oak-Hickory	Oak-Pine
Oak-Gum Cypress	
Maple-Beech-Birch	

Generally, softwoods are the dominant source of lumber products, in terms of volume transported and major end use. In 1972, approximately 39 billion board feet of softwood lumber products were used, as compared to 7 billion board feet of hardwood products.

Lumber products can be divided by uses into three broad categories: (1) general contractor or home construction, (2) utilities, railroads, and mining, and (3) transportation and other uses. Nearly 55 percent of all timber cut is used for lumber sawlogs[1]; the next largest portion is used for pulpwood, followed by veneer wood and fuelwood. The timber cut in 1970 was distributed among various uses as shown below:

---

[1] According to the U.S. Department of Agriculture, sawlogs are defined as logs which meet minimum regional standards of diameter, length, and defect which make them suitable for use as lumber. Logs that do not meet these standards are more suitable for use as pulpwood.

TABLE 3

Output of roundwood products from growing stock, 1970

(BILLION CUBIC FEET)

Product	Total	Softwood	Hardwood
Sawlogs	5.956	4.674	1.282
Pulpwood	3.455	2.518	.928
Veneer logs	1.034	.913	.121
Fuelwood	.312	.055	.257
Poles	.074	.074	.n.1
Posts	.058	.034	.024
Mine timber	.029	007	.002
Cooperage	.027	.002	.025
Piling	.020	.019	.001
Other miscellaneous	.168	.071	.097
All products	11.123	8.367	2.757

Source: U.S. Department of Agriculture, Forest Service.

Part I(A): Economic and Technical Aspect of the Lumber and Lumber Product Industry

1. The Source of Lumber Supply

Approximately one-third of the total land area of the United States (754 million of 2.3 billion acres) is comprised of forest land. This includes virgin forest, forests incapable of yielding industrial wood because of adverse soil or climate conditions, and commercial timberland.

Of the total forest land in the United States, 31 percent, or 233.9 million acres, is classified as "unproductive" by the U.S. Department of Agriculture (USDA). Another 0.45 percent (2.7 million acres) is "deferred"; these acres are under study for possible inclusion in the wilderness system. Approximately 2.3 percent, or 17.2 million acres, is classified "productive reserved." This is mostly the national park system, which is publicly owned land where timber harvesting is forbidden.

Commercial timberland, defined as that forest land both available and suitable for growing continuous crops of industrial timber products at a rate of at least 20 cubic feet per year, accounts for approximately 500 million acres, or 66.3 percent of the total forest land in the United States. The bulk of commercial timberland, approximately 370 million acres, is in the eastern half of the country, and is almost evenly divided between North and South. The remaining commercial timberland, 129.2 million acres, is located in the Rocky Mountain and Pacific coast areas.

TABLE 4

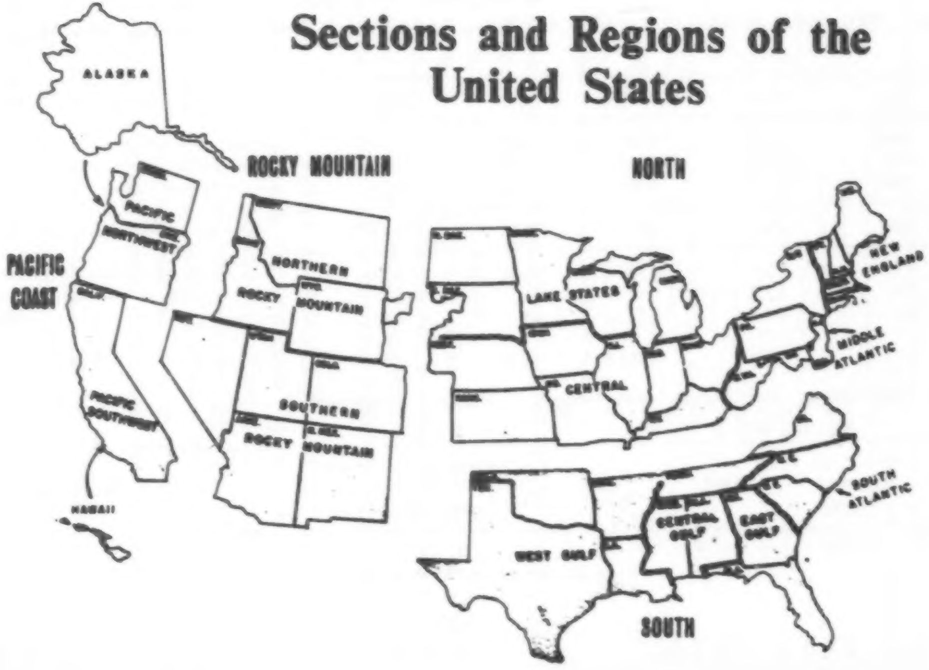
Forest land areas by regions and type:

Type of land	Total United States		North	South	Rocky Mountains	Pacific coast
	Area	Proportion				
	Million acres	*Percent*	*Million acres*	*Million acres*	*Million acres*	*Million acres*
Commercial timberland	499.7	22.0	177.9	192.5	61.6	67.6
Other forest land:						
Productive-reserved	17.2	.8	4.3	1.7	7.9	3.3
Deferred	2.7	.1			2.3	.4
Unproductive	233.9	10.3	4.2	17.6	66.5	145.6
Total	253.9	11.2	8.6	19.3	76.6	149.3
Total forest land	753.5	33.2	186.5	211.9	138.2	216.9
Cropland	427.0	18.8	260.2	103.7	37.4	25.7
Other land	1,089.5	48.0	181.4	197.2	379.7	331.3
Total land area	2,270.1	100.0	628.0	512.8	555.3	573.9

Table 4 summaries the forest land area of the United States by region and type of land. Map 1 outlines the regions used by the Forest Service in classifying land areas.

Map 1

Sections and Regions of the United States


ALASKA
ROCKY MOUNTAIN
NORTH
PACIFIC COAST
PACIFIC NORTHWEST
NORTHERN ROCKY MOUNTAIN
SOUTHERN ROCKY MOUNTAIN
PACIFIC SOUTHWEST
HAWAII
LAKE STATES
CENTRAL
NEW ENGLAND
MIDDLE ATLANTIC
SOUTH ATLANTIC
CENTRAL GULF
EAST GULF
WEST GULF
SOUTH

Slightly over half (54 percent) of the standing timber on commercial timberlands is hardwood timber. As can be seen in table 5, which shows areas of commercial timberland by tree species, type of wood, and location, most hardwood timberlands are located in the Northeast. The predominant species in eastern hardwood forests are oak-hickory, oak-gum-cypress, and maple-beech-birch. There are some hardwood areas in the South, generally of the oak-pine species.

Approximately 42 percent of the standing timber on commercial timberlands is softwood timber. (The other 4 percent of commercial timber is located in nonstocked areas.) Softwood timberlands are almost entirely located in the South and West. Douglas-fir and ponderosa pine are the dominant softwood species in the West, while longleaf and southern pine are dominant in the South. Map 2 shows the major softwood lumber producing areas of the United States.

TABLE 5

Area of commercial timberland in the United States, by forest type groups, 1970

Type group	Total area	Proportion of total
Eastern type groups	*Thousand acres*	*Percent*
Softwood types:		
Loblolly-shortleaf pine	52,832	10.7
Longleaf-slash pine	18,315	3.7
Spruce-fir	18,913	3.8
White-red-jack pine	12,168	2.5
Total	102,228	20.7
Hardwood types:		
Oak-hickory	111,861	22.6
Oak-pine	35,028	7.1
Oak-gum-cypress	30,630	6.2
Maple-beech-birch	31,140	6.3
Elm-ash-cottonwood	24,728	5.0
Aspen-birch	20,484	4.1
Total	253,871	51.3
Nonstocked	14,343	2.9
Total East	370,442	74.9

TABLE 5

Area of commercial timberland in the United States, by forest type groups, 1970—Continued

Type group	Total area	Proportion of total
Western type groups	*Thousand acres*	*Percent*
Softwood types:		
Douglas-fir	30,788	6.2
Ponderosa pine	27,964	5.6
Fir-spruce	17,830	3.6
Lodgepole pine	13,235	2.7
Hemlock-Sitka spruce	10,819	2.2
Larch	2,743	.5
White pine	829	.2
Redwood	803	.2
Total	105,011	21.2
Hardwood types	12,818	2.6
Nonstocked	6,379	1.3
Total West	124,208	25.1
All groups	[1]494,650	100.0

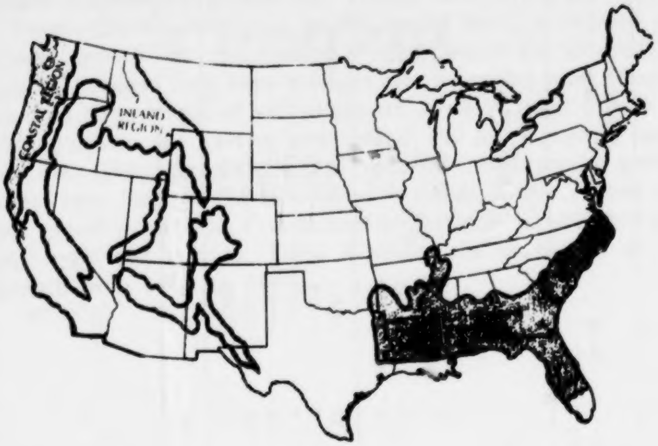
[1] Not including 5 million acres of "unregulated" commercial timberlands on national forests in the Rocky Mountain States.

Source: Outlook for Timber in the United States, U.S. Department of Agriculture, Forest Service (Washington, D.C., 1973).

best copy available

Map 2

Major softwood lumber producing areas of the United States



2. Ownership

Table 6 shows the ownership of commercial timberland in the United States as of 1970. Public ownership, for historical reasons, accounts for only 27 percent of the total ownership. The Government holds 27 percent of the publicly owned lands, most of which is in national forests in the Rocky Mountain and Pacific coast areas.

The bulk commercial timberland (over 73 percent) is in private hands. The largest class of ownership is private individuals, who owned 33 percent (165 million acres) of commercial forest land in 1970. They are followed in size of holding by farms (26 percent or 131 million acres) and the forest industry (14 percent or 67 million acres).

Farms and miscellaneous private holdings produced over 712 billion cubic feet of lumber in 1970, which indicates that these holdings are a major source of timber supply. However, statistics indicate that the percentage of farm ownership is decreasing, while private ownership is increasing by a similar amount. The forest industry's share of total ownership has increased since 1952, mainly in the South, where the forest industry has been actively acquiring forest land by purchase, lease, and long-term cutting contracts.

TABLE 6

Area of commercial timberland in the United States, by type of ownership and section, January 1, 1970

Type of ownership	Total United States		North	South	Rocky Mountains	Pacific coast
	Area	Proportion				
	Thousand acres	*Percent*		*Thousand acres*		
Federal:						
Nation Forest	91,924	18	10,458	10,764	39,787	30,915
Bureau of Land Management	4,762	1	75	11	2,024	2,652
Bureau of Indian Affairs	5,888	1	815	220	2,809	2,044
Other Federal	4,534	1	963	3,282	78	211
Total Federal	107,109	21	12,311	14,277	44,699	35,822
State	21,423	4	13,076	2,321	2,198	3,828
County and municipal	7,589	2	6,525	681	71	312
Forest industry	67,341	14	17,563	35,325	2,234	12,219
Farm	131,135	26	51,017	65,137	8,379	6,602
Miscellaneous private	165,101	33	77,409	74,801	4,051	8,840
All ownerships	499,697	100	177,901	192,542	61,632	67,622

3. Amount of lumber supply

Because lumber is a renewable resource, our commercial timberland has the potential to meet national needs far into the future if advanced growth and cutting techniques are applied.

Forest growth, measured on an annual level, is defined as total annual growth less the volume of trees which die annually. Older forests, because they have a larger tree mortality rate, often fail to show as large a rate of annual growth as do younger forests. In the United States, the western timberlands are older growth, and cover less area than the eastern forests; therefore, their annual growth rate lower than that for the eastern timberlands. Table 7 illustrates the net annual growth on commercial timberland for selected years by tree type and section. Table 8 shows the change in net annual growth from 1962 to 1970.

TABLE 7

Net annual growth of growing stock and sawtimber on commercial timberland, by softwood and hardwoods, and by section, 1952, 1962, and 1970[1]

GROWING STOCK—BILLION CUBIC FEET

Section	All species			Softwoods			Hardwoods		
	1952	1962	1970	1952	1962	1970	1952	1962	1970
North	4.1	4.9	5.5	1.1	1.2	1.4	3.0	3.6	4.2
South	6.3	7.5	8.6	3.6	4.5	5.4	2.7	3.0	3.2
Rocky Mountains	1.2	1.3	1.4	1.1	1.2	1.3	.1	.1	.1
Pacific coast	2.3	2.7	3.1	2.0	2.3	2.6	.3	.4	.5
Total	13.9	16.4	18.6	7.8	9.3	10.7	6.1	7.1	7.9
Sawtimber—Billion board feet									
North	9.4	11.5	13.7	2.4	2.8	3.6	7.0	8.6	10.1
South	21.2	24.3	28.0	13.6	16.7	20.1	7.6	7.6	7.9
Rocky Mountains	4.3	4.6	5.1	4.2	4.5	4.9	.1	.1	.1
Pacific coast	10.3	11.9	13.1	9.4	10.7	11.6	.9	1.2	1.5
Total	45.1	52.3	59.9	29.5	34.7	40.3	15.6	17.6	19.7

[1] Data may not add to totals because of truncating.

Note: Data for 1952 and 1962 differ from data published in earlier reports because of adjustments based on newer information from remeasured Forest Survey plots. Data for all years are "trend level" estimates.

Source: Outlook for Timber in the United States, *supra.*

TABLE 8

Change in net annual growth of growing stock and sawtimber on commercial timberland, by softwood and hardwoods, and by section, 1962 to 1970

GROWING STOCK

Section	All species		Softwoods		Hardwoods	
	Million cu. ft.	*Percent*	*Million cu. ft.*	*Percent*	*Million cu. ft.*	*Percent*
North	+664	+14	+144	+12	+519	+14
South	+1,155	+15	+920	+21	+235	+8
Rocky Mountains	+50	+4	+44	+4	+6	+8
Pacific coast	+345	+13	+261	+11	+84	+22
Total	+2,214	+14	+1,369	+15	+844	+12

Sawtimber

Section	All species		Softwoods		Hardwoods	
	Million bd. ft.		*Million bd. ft.*		*Million bd. ft.*	
North	+2,218	+19	+787	+28	+1,431	+17
South	+3,735	+15	+3,428	+21	+307	+4
Rocky Mountains	+451	+10	+431	+9	+38	+35
Pacific coast	+1,243	+10	+976	+9	+267	+22
Total	+7,646	+15	+5,603	+16	+2,043	+12

Both tables indicate that net growth of all species is rising for all sections.

The greatest increases were in softwood timber. In 1970, two-thirds of the nearly 60 billion board feet of sawtimber growth was in softwood species. Approximately 50 percent of this softwood growth occurred in the South, while 16 percent was in the West. Hardwood growth in the North also increased substantially.

Timber removals from inventory on commercial timberland include harvests of roundwood products such as sawlogs, veneer logs, and pulpwood, as well as harvests of logging residues, and removals resulting from changes in land use. Total removals have increases steadily over the past years, as shown in table 9.

TABLE 9

Timber removals from growing stock and sawtimber, by softwoods and hardwoods and by section 1952, 1962, and 1970[1]

GROWING STOCK—BILLION CUBIC FEET

Section	All species			Softwoods			Hardwoods		
	1952	1962	1970	1952	1962	1970	1952	1962	1970
North	2.1	2.1	2.4	0.6	0.6	0.6	1.5	1.5	1.8
South	5.7	5.4	6.5	3.1	2.8	4.0	2.6	2.6	2.5
Rocky Mountains	.5	.7	.9	.5	.7	.9	(2)	(2)	(2)
Pacific coast	3.5	3.6	4.2	3.5	3.5	4.1	(2)	.1	.1
Total	11.8	11.8	14.0	7.8	7.6	9.6	4.1	4.2	4.4
Sawtimber—Billion board feet									
North	6.7	6.5	9.0	1.9	1.5	2.1	4.8	5.0	6.8
South	20.2	17.2	22.8	11.9	9.8	15.0	8.3	7.3	7.8
Rocky Mountains	3.2	4.3	5.4	3.2	4.3	5.4	(2)	(2)	(2)
Pacific coast	22.4	22.3	25.6	22.3	22.1	25.2	.1	.2	.4
Total	52.5	50.3	62.8	39.2	37.7	47.7	13.3	12.6	15.0

[1] Data may not add to totals because of truncating.

[2] Less than 0.1 billion.

Note: Data for 1952 and 1962 differ from data published in earlier reports because of adjustments based on newer information from remeasured Forest Survey plots. Data for all years are "trend level" estimates.

A comparison of annual net growth to removals shows the present state of our timber supply. Table 10 below compares growth and removals of growing stock, while table 11 compares growth and removal of sawtimber. Two-thirds of all growing stock removals and three-fourths of all sawtimber removals in 1970 consisted of softwoods, mainly from softwood stands in the Pacific coast and in the South. While total removals from growing stock were less than total net growth in 1970, total removals of sawtimber exceeded net growth. When comparisons are broken down by areas of the country, it becomes evident that softwood removals from growing stock and sawtimber in the Pacific coast area far exceeded the rate of annual growth. In 1970, the Rocky Mountain area also sustained more removals of sawtimber than annual growth. The removals from the Pacific coast area appear to be increasing faster than net growth, which leads to the conclusion that the Pacific coast area will not be able to sustain its present rate of removal without serious depletion of the timber supply.

While the southern softwood areas have shown large increases in the amount of removals (particularly between 1962 and 1970), they have also increased their net annual growth rates so that there now appears to be continuous supply of softwood timber. This is attributed in large part to the fact that southern commercial timberland is mostly privately owned, mainly by the forest industry, which is in a position to apply the newest methods of tree farming.

TABLE 10

Net annual growth and removals of growing stock, by species group and section

(BILLION CUBIC FEET)

Section	All species			Softwoods			Hardwoods		
	1952	1962	1970	1952	1962	1970	1952	1962	1970
North:									
Net growth	4.1	4.9	5.5	1.1	1.2	1.4	3.0	3.6	4.2
Removals	2.1	2.1	2.4	.6	.6	.6	1.5	1.5	1.8
Ratio of growth to removals	2.0	2.4	2.3	1.7	2.2	2.2	2.1	2.4	2.3
South:									
Net growth	6.3	7.5	8.6	3.6	4.5	5.4	2.7	3.0	3.2
Removals	5.7	5.4	6.5	3.1	2.8	4.0	2.6	2.6	2.5
Ratio of growth to removals	1.1	1.4	1.3	1.2	1.6	1.4	1.1	1.1	1.3
Rocky Mountains:									
Net growth	1.2	1.3	1.4	1.1	1.2	1.3	.1	.1	.1
Removals	.5	.7	.9	.5	.7	.9	(²)	(²)	(²)
Ratio of growth to removals	2.2	1.8	1.5	2.1	1.7	1.4	21.9	18.9	26.2
Pacific coast:									
Net growth	2.3	2.7	3.1	2.0	2.3	2.6	.3	.4	.5
Removals	3.5	3.6	4.2	3.5	3.5	4.1	(²)	.1	.1
Ratio of growth to removals	.7	.8	.7	.6	.7	.6	6.7	4.9	4.1
Total, United States:									
Net growth	13.9	16.4	18.6	7.8	9.3	10.7	6.1	7.1	7.9
Removals	11.8	11.8	14.0	7.8	7.6	9.6	4.1	4.2	4.4
Ratio of growth to removals	1.2	1.4	1.3	1.0	1.2	1.1	1.5	1.7	1.8

[1] Data may not add to totals because of rounding.

[2] Less than 0.1 billion.

Note: Data for 1952 and 1962 differ from data published in earlier reports because of adjustments based on newer information from remeasured Forest Survey plots. Data for all years are "trend level" estimates.

Source: Outlook for Timber, *supra.*

TABLE 11

Net annual growth and removals of sawtimber, by species group and section[1]

(BILLION BOARD FEET)

Section	All species			Softwoods			Hardwoods		
	1952	1962	1970	1952	1962	1970	1952	1962	1970
North:									
Net growth	9.4	11.5	13.7	2.4	2.8	3.6	7.0	8.6	10.1
Removals	6.7	6.5	9.0	1.9	1.5	2.1	4.8	5.0	6.8
Ratios of growth to removals	1.4	1.8	1.5	1.3	1.9	1.7	1.4	1.7	1.5
South:									
Net growth	21.2	24.3	28.0	13.6	16.7	20.1	7.6	7.6	7.9
Removals	20.2	17.2	22.8	11.9	9.8	15.0	8.3	7.3	7.8
Ratio of growth to removals	1.1	1.4	1.2	1.1	1.7	1.3	.9	1.0	1.0
Rocky Mountains:									
Net growth	4.3	4.6	5.1	4.2	4.5	4.9	.1	.1	.1
Removals	3.2	4.3	5.4	3.2	4.3	5.4	(2)	(2)	(2)
Ratio of growth to removals	1.3	1.1	.9	1.3	1.1	.9	6.3	5.4	11.7
Pacific coast:									
Net growth	10.3	11.9	13.1	9.4	10.7	11.6	.9	1.2	1.5
Removals	22.4	22.3	25.6	22.3	22.1	25.2	.1	.2	.4
Ratio of growth to removals	.5	.5	.5	.4	.5	.5	6.2	5.0	4.0
Total, United States:									
Net growth	45.1	52.3	59.9	29.5	34.7	40.3	15.6	17.6	19.7
Removals	52.5	50.3	62.8	39.2	37.7	47.7	13.3	12.6	15.0
Ratio of growth to removals	.9	1.0	1.0	.8	.9	.8	1.2	1.4	1.3

[1] Data may not add to totals because of rounding.

[2] Less than 0.1 billion.

Note: Data for 1952 and 1962 differ from data published in earlier reports because of adjustments based on newer information from remeasured Forest Survey plots. Data for all years are "trend level" estimates.

However, greater yields are potentially available in all sections of the country, if more advanced methods of cultivation and harvesting are employed. USDA has estimated that the potential growth rate of all species in all areas of the country could exceed present growth rates by as much as 40 to 60 percent. The predictions are summarized in table 12 below.

TABLE 12

Average net annual and potential growth per acre, by owner, class, and section, 1970[1]

(CUBIC FEET)

Section	All owners	National forest	Other public	Forest industry	Farm and miscellaneous private
North:					
Current	31	38	33	40	29
Potential	68	66	59	72	69
South:					
Current	45	55	45	53	42
Potential	76	70	71	81	75
Rocky Mountains:					
Current	24	23	23	47	25
Potential	60	65	54	70	50
Pacific coast:					
Current	45	27	60	65	58
Potential	95	88	100	107	96
Total:					
Current	38	30	39	52	36
Potential	74	73	68	83	72

[1] Potential growth is defined as the average net growth attainable in fully stocked natural stands. Higher growth rates can be attained in intensively managed stands.

4. Harvesting

The methods used in harvesting timber depend on the source of the raw timber, i.e., whether it is from publicly owned, individually owned, or company-owned land, and on the type of operation run by the producer, i.e., whether it is integrated or nonintegrated.

(a) *Source of raw timber.*—Most public lands are administered by the USDA Forest Service, which put specific sections of land on the market for logging, first asking bids from prospective users or use bids as a requisite for entry to an auction. Federal timber sales contracts usually specify a 2- to 3-year cutting time period in addition to designating the area to be cut and the practices to be used in the cutting.

Private individual landowners may cut and transport sawtimber themselves. They may either sell a quantity of lumber to a customer in board feet, or sell stumpage rights to a specified area to a logging concern or sawmill. On private lands where cutting rights are purchased from the owner, the contract may specify the cutting time and practice; in the South, cutting rights on privately owned lands must be exercised within an 18-month period.

Company-owned timber land is usually managed for continuous production, and cutting schedules will be consistent with management plans. Land area is usually developed as a "tree farm," and modern silvicultural practices determine the actual rate of harvesting.

(b) *Integrated v. nonintegrated producer.*—Harvesting and production methods depend in part upon whether the lumber producer is integrated or nonintegrated. Integrated firms may be horizontally integrated, where they carry a full wood product line, or vertically integrated, where they may own their own raw material sources, distribution yards, and production facilities. In developing a timber stand or deciding to bid on one, an integrated producer assesses the anticipated type and value of the end products in order to determine optimum resource allocation among various wood products. Nonintegrated firms, which usually have negligible timber holdings, produce a more limited number of products and do not own distribution outlets. They generally operate either production or speciality mills. Nonintegrated producers will either allocate the timber to their production facilities or sell or trade logs best suited for other products to other mills.

(c) *Harvesting process.*—The first step in the harvesting process is the choice of an area for logging. The size of the harvest from the area selected will be limited by the management objectives and silvicultural practices of the timber owner, by the machinery and labor available to the producer, and to a limited extent, by the weather conditions.

Once the area is selected, those trees which will be cut are selected. Provision is made at this time for a new crop by leaving seed trees and trees which have not reached full growth; replanting young trees; and reseeding.

Small trees may be removed before the main felling for use as poles, posts, piling, and pulpwood; or areas may be clearcut. The logging crew will fell the trees, clear them of all limbs and cut the trunks into lengths which are suitable for transportation to a collection point. Whole-tree chipping devices are used to convert residue left after the felling operation to woodchips for sale to paper producers.

The cut timber is hauled to collection points along preplanned routes by crawler tractors, rubber-tired tractors, helicopters, horses, or cable systems. Some logs are sent to the mill by river or river barge. However, most lumber which is to move less than 150 miles will be transported by truck. The lumber selected to move by rail will be sawed to specification and transported by special flat-bed railroad cars. Table 13 taken from the Department of Transportation (DOT) 1972 Carload Waybill Statistics, shows the approximate territorial distribution or flow of traffic and revenue for sawlogs. (STCC 24 111.)

TABLE 13

Sawlogs 1972

Territorial movement STCC 24 111	Sample size	Number of car-loads	Weight	Revenue	Ton-miles	Car-miles	Average		Average haul		Average revenue		
							Tons per car	Revenue per car	Per ton	Per car	Per 100 pounds	Per car-mile	Per ton-mile
			Tons		*In thousands*						*Cents*	*Cents*	*Cents*
US to US	991	1,039	39,569	$114,379	4,990	133	38.1	110	126	128	14.5	85.9	2.2
US to OFF	47	48	1,692	21,116	725	21	35.3	440	428	428	62.4	102.9	2.9
US to SOU	75	75	3,501	16,892	755	20	40.7	225	247	268	27.7	84.1	2.2
US to WTL	82	83	3,209	18,549	941	25	38.7	223	293	298	28.9	74.9	1.9
US to SW	107	110	5,095	7,624	495	11	46.3	69	97	101	7.5	68.3	1.5
US to MTP	680	723	26,522	50,198	2,074	57	36.7	69	78	78	9.5	88.7	2.4
OFF to US	48	49	1,703	19,849	669	20	34.8	405	393	405	58.3	100.1	2.9
OFF to OFF	36	37	1,262	14,060	417	13	34.1	380	330	346	55.7	109.8	3.3
OFF to SOU	12	12	441	5,789	252	7	36.8	482	571	586	65.6	82.4	2.3
SOU to US	66	66	2,725	14,390	643	17	41.3	218	236	262	26.4	83.4	2.2
SOU to SOU	63	63	2,610	11,103	503	13	41.4	176	193	207	21.3	84.9	2.2
WTL to US	83	84	3,286	19,288	752	19	39.1	230	229	223	29.3	103.2	2.5
WTL to OFF	7	7	272	4,926	202	5	38.9	704	744	713	90.6	98.7	2.4
WTL to WTL	75	76	2,954	13,815	491	13	38.9	182	166	167	23.4	108.6	2.8
SW to US	109	112	5,138	8,870	522	13	45.9	79	102	113	8.6	69.9	1.7
SW to SW	106	109	5,035	7,077	436	10	46.2	65	87	93	7.0	69.6	1.6
MTP to US	685	728	26,717	51,982	2,404	65	36.7	71	90	89	9.7	80.4	2.1
MTP to WTL	6	6	225	4,026	419	11	37.5	671	1,863	1,838	89.5	36.5	.9
MTP to MTP	679	722	26,492	47,956	1,985	54	36.7	66	75	74	9.1	89.4	2.4

Source: DOT, Carload Waybill Statistics, 1972 Territorial Distribution, Traffic and Revenue by Commodity Classification (Washington, D.C., May 1974), pp. 76-77. Statistics compiled by the Federal Railroad Association.

5. The lumber industry

Most lumber plants are located close to the source of supply, mainly because cut timber carries a low value per unit of weight which makes long hauls impractical. Plants which deal primarily in hardwoods, such as hardwood dimension producers and hardwood flooring producers, are located in the East near the raw material sources.

However, since the bulk of U.S. timber production is in softwoods, the largest number of lumber firms are located in the West and South, the leading areas of softwood lumber and plywood production. The West in 1972 produced 47.3 percent of the total U.S. production, the South produced 28.7 percent, and the East and North Central States produced 10 percent.

The 1972 western lumber output was 61.3 percent of the total U.S. softwood production. Most softwood plywood production is presently concentrated in the Pacific coast area (Washington and Oregon combined produced over 59.3 percent of the 1972 softwood plywood output), but the South is rapidly increasing its plywood production. The southern share of the plywood industry jumped from less than 1 percent in 1964 to 29 percent in 1972.

According to the Bureau of Commerce's 1972 census of manufacturers, there are roughly 8,000 firms operating sawmills and/or planing mills in the United States. This number indicates a steady decline since 1958, when there were over 15,000 such firms in operation. Table 14 shows this decline.

TABLE 14

Number of firms in SIC 2421

Year	Number of firms
1958	15,637
1963	12,189
1967	10,271
1972	8,018

Two reasons are cited by SPC for the decline in the number of lumber firms: the uncertainty in the demand for lumber, particularly in the housing market, and the increasing cost of capital equipment, which has hampered the efforts of small nonintegrated firms to compete with integrated firms.

While there has been a decrease in the number of firms in the industry, the number of persons employed in sawing and planing mills has remained at a fairly constant level (approximately 180,000 persons). Technological advances in the past two decades have increased output per man-hour and the industry has become more capital intensive, thereby encouraging the growth of larger firms with more integrated capital, which are better able to obtain financing for new technology.

Despite the decline in the number of firms, the lumber industry can be characterized as truly competitive, with many large and small producers. The top five producers in the industry in 1973 accounted for only 18 percent of total lumber production. There is no individual price leader and no centralized decisionmaking in the industry. Timber supply appears to be the only entry restriction, and this restriction appears to be minimal, given the supply of federally owned timber in the West.

(a) *Production.*—Normally, integrated mills produce lumber and then use the residue from the sawmill to produce particle board, paper, or other wood products. In contrast, nonintegrated mills produce one product such as lumber or plywood, or speciality items such as millwood or particle board. Standard lumber items, however, show little variation from company to company except with respect to grade, the highest of which receives a premium price.

Actual production methods for the same product may vary among firms. This discussion is intended to present a general picutre of the methods used overall.

The quality and size of the raw material dictates the final product, the production methods, and the equipment used by a mill to produce the final product. There are two basic production methods, the conventional method and the chip-and-saw method.

In the conventional method, each log is debarked and then cut by a band saw to gain the highest possible quality and yield per log. The wood is then sawed in an edger to get reasonably straight edges and resawed to a proper length. After this, the wood is sorted for quality, stacked, and kiln dried for several days. After drying it is removed, regraded, and sent to the planing operation, after which it is again regraded and sorted and stacked according to variety and size. Finally, the lumber is packaged and shipped. The bark removed in the debarker is usually burned for fuel, and the wood not used in lumber production is converted into chips which are either sold or used for pulp production. The planed shavings are sold, or in an integrated mill, used for particle board production. The principal advantages to this method are the significant yield of lumber and the flexibility in producing commodities in a large variety of sizes and grades.

The chip-and-saw method, which has been developed over the past 10 years, converts small logs (4 inches to 10 inches in diameter) into lumber. After debarking, the log passes through a series of rotary knives which set a cant and configure the log for saws which will produce lumber. The chip-and-saw method produces standard dimension items useful for construction purposes which require strength. This method produces a smaller range of lumber products than the conventional method. However, it is a highly efficient, high-volume, and less labor-intensive operation than the conventional method, and permits a lower cost operation.

6. Major markets for lumber products

Lumber production, as shown in table 15 has remained at a fairly constant level with annual fluctuations, since 1950. Per capita consumption, however, has declined, as seen in table 16. The major markets for lumber products which existed in the past are expected to continue to demand similar proportions of total timber output for the balance of this century.

TABLE 15

Lumber production, by section, and by softwoods and hardwoods, 1970 [1950]-73[1]

(BILLION BOARD FEET)

Year	All sections			North			South			West total[2]
	Total	Softwoods	Hardwoods	Total	Softwoods	Hardwoods	Total	Softwoods	Hardwoods	
1950	38.0	30.6	7.4	4.9	2.0	3.0	14.6	10.2	4.4	18.6
1951	37.2	29.5	7.7	5.0	1.7	3.3	13.3	8.9	4.4	18.9
1952	37.5	30.2	7.2	4.1	1.4	2.7	13.7	9.2	4.5	19.7
1953	36.7	29.6	7.2	5.0	1.5	3.5	11.8	8.1	3.7	19.9
1954	36.4	29.3	7.1	4.6	1.7	3.0	11.7	7.7	4.1	20.0
1955	37.4	29.8	7.6	4.5	1.5	3.0	12.2	7.7	4.5	20.7
1956	38.2	30.2	8.0	5.1	1.6	3.4	12.7	8.2	4.5	20.5
1957	32.9	27.1	5.8	4.1	1.8	2.2	10.3	6.7	3.5	18.6
1958	33.4	27.4	6.0	3.9	1.4	2.5	9.8	6.4	3.4	19.7
1959	37.2	30.5	6.7	4.2	1.5	2.7	11.0	7.0	3.9	22.0
1960	32.9	26.7	6.3	3.9	1.2	2.7	9.3	5.9	3.4	19.6
1961	32.0	26.1	6.0	3.7	1.2	2.5	9.1	5.8	3.4	19.2
1962	33.2	26.8	6.4	3.9	1.2	2.7	9.5	5.9	3.6	19.9
1963	34.7	27.6	7.2	4.2	1.3	2.9	10.2	6.1	4.1	20.3
1964	36.6	29.3	7.3	4.4	1.1	3.2	10.5	6.6	3.9	21.7
1965	36.8	29.3	7.5	4.4	1.1	3.3	10.8	6.8	4.0	21.6
1966	36.6	28.8	7.7	4.5	1.1	3.4	10.8	6.7	4.1	21.2
1967	34.7	27.3	7.4	4.4	1.1	3.4	10.5	6.6	3.9	19.8
1968	36.5	29.3	7.2	4.5	1.1	3.4	10.7	7.0	3.7	21.3
1969	35.8	28.3	7.5	4.6	1.1	3.5	11.1	7.3	3.8	20.1
1970	34.7	27.5	7.1	4.4	1.0	3.4	10.8	7.2	3.6	19.4
1971	37.0	30.0	6.9	4.4	1.1	3.3	11.3	7.9	3.5	21.3
1972[3]	38.0	31.2	6.8	4.3	1.1	3.3	11.6	8.2	3.4	22.1
1973[3]	38.3	31.5	6.8	4.6	1.1	3.6	11.0	7.8	3.1	22.7

See footnotes on following page.

[1] Data may not add to totals because of rounding.
[2] Includes small volumes of western hardwoods—about 0.2 billion board feet in recent years.
[3] Preliminary estimates.

Note: Estimates for 1973 are based in part upon data published by the National Forest Products Association (*25*) and related associations (*32, 33, 77*).

Sources: U.S. Department of Commerce, Bureau of the Census (*57*); U.S. Department of Agriculture, Forest Service. Data for selected years 1899-1949 in *The demand and price situation for forest products, 1964*, table 9.

Source: Demand and Price Situation for Forest Products, 1973-1974, p. 59.

TABLE 16

Per capita consumption of timber products, by major product, 1950-73[1]

Year	All products	Industrial roundwood used for—								Fuelwood	
		Total	Lumber		Plywood and veneer		Pulp products		Miscellaneous products[2]		
	Cubic feet	*Cubic feet*	*Cubic feet*	*Board feet (lumber tally)*	*Cubic feet*	*Board feet (local log rule)*	*Cubic feet*	*Cords*	*Cubic feet*	*Cubic feet*	*Cords*
1950	80.0	65.1	41.8	269	2.3	13.5	15.6	0.2	5.1	14.9	0.2
1951	78.6	64.2	38.9	250	2.6	14.9	17.8	.2	4.7	14.4	.2
1952	75.8	63.0	38.7	249	2.8	16.3	16.9	.2	4.4	12.7	.2
1953	74.5	62.6	37.7	243	3.1	18.1	17.3	.2	4.2	12.0	.2
1954	72.3	61.0	36.8	237	3.1	18.3	16.8	.2	4.0	11.3	.2
1955	73.8	63.3	37.5	242	3.7	21.9	18.1	.2	3.8	10.5	.1
1956	74.6	64.8	37.5	242	3.7	22.1	19.9	.3	3.6	9.8	.1
1957	65.9	56.8	31.6	204	3.5	20.8	18.2	.2	3.4	9.1	.1
1958	64.0	55.5	31.9	206	3.8	22.7	16.5	.2	3.2	8.5	.1
1959	68.2	60.4	35.2	228	4.4	26.6	17.6	.2	3.0	7.8	.1

See footnotes at end of table.

Per capita consumption of timber products, by major product, 1950-73[1]—Continued

Year	All products	Industrial roundwood used for—								
		Total	Lumber		Plywood and veneer		Pulp products		Miscellaneous products[2]	Fuelwood	
	Cubic feet	*Cubic feet*	*Cubic feet*	*Board feet (lumber tally)*	*Cubic feet*	*Board feet (local log rule)*	*Cubic feet*	*Cords*	*Cubic feet*	*Cubic feet*	*Cords*
1960	63.3	56.1	30.8	199	4.2	25.4	18.2	0.2	2.8	7.2	0.1
1961	61.0	54.4	29.9	193	4.5	26.9	17.3	.2	2.7	6.6	.1
1962	62.0	56.0	30.9	200	4.7	28.2	17.8	.2	2.5	6.0	.1
1963	63.3	57.7	32.0	207	5.0	30.3	17.9	.2	2.7	5.6	.1
1964	65.0	59.9	32.9	213	5.5	32.9	18.7	.2	2.8	5.1	.1
1965	66.1	61.4	32.7	212	5.8	34.9	20.0	.3	2.9	4.7	.1
1966	65.8	61.5	32.0	207	5.8	35.1	20.7	.3	2.9	4.3	.1
1967	62.4	58.5	30.1	195	5.7	34.4	20.0	.3	2.6	3.9	.1
1968	64.8	61.3	31.9	207	6.4	38.6	20.5	.3	2.4	3.5	(4)
1969	64.1	61.0	31.3	202	6.0	36.2	21.5	.3	2.2	3.1	(4)
1970	62.1	59.5	29.8	193	6.0	36.4	21.5	.3	2.1	2.6	(4)
1971[3]	63.4	61.0	31.2	210	6.9	44.8	20.6	.3	2.2	2.4	(4)
1972[3]	64.8	62.5	32.8	220	7.6	49.4	19.9	.3	2.3	2.3	(4)
1973[3]	66.4	64.0	32.4	218	7.3	47.4	21.9	.3	2.4	2.4	(4)

[1] Data may not add to totals because of rounding.

[2] Includes cooperage logs, poles and piling, fenceposts, hewn ties, round mine timbers, box bolts, excelsior bolts, chemical wood shingle bolts, and miscellaneous items.

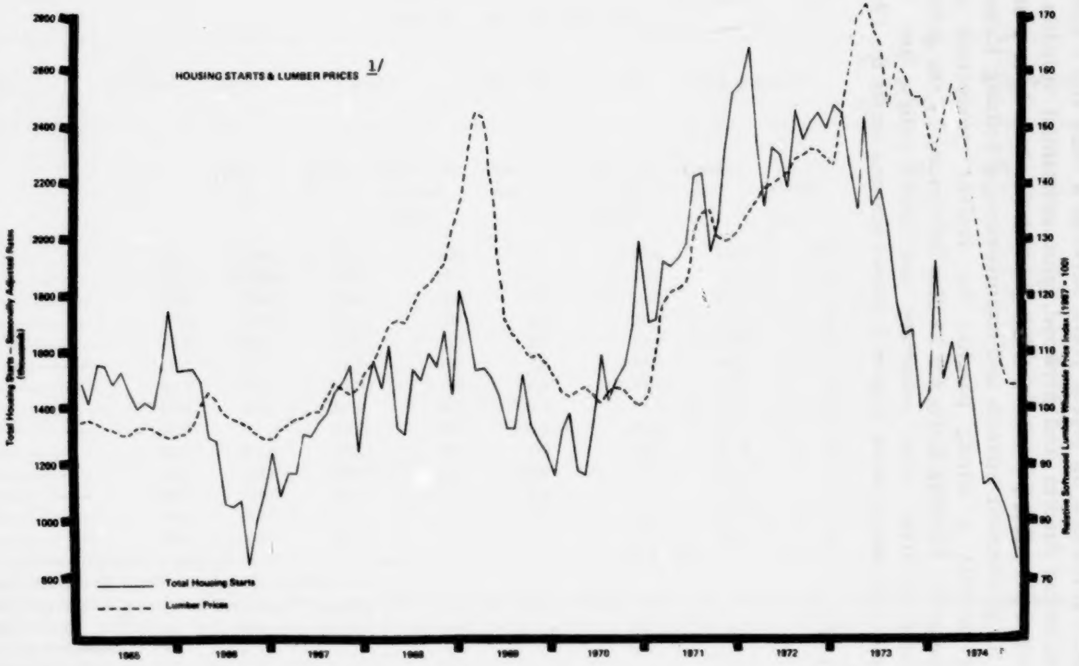
[3] Preliminary estimates.

[4] Less than 0.05 cord.

Sources: Based on data published by the U.S. Departments of Commerce and Agriculture. Data for 1900-49 in The Demand and Price Situation for Forest Products, 1964, table 3.

(a) *Housing.*—(1) Residential housing is the most important market for lumber and lumber products in terms of volume of products consumed. In recent years, between a third and a half of the softwood lumber and plywood, plus substantial volumes of hardwood plywood, particle board, and insulation board, have been used for production, upkeep, and improvement of housing. Housing starts provide a strong parallel for lumber production and consumption. Housing starts are in turn influenced by the general economy, interest rates, monetary and fiscal policy, and the formation of family units. Figure 1 shows housing starts for 1964-1974.

Figure 1



1/ Courtesy of National Forest Products Association.

Projections by the U.S. Forest Service hold that there will be a rise in demand for housing in the late 1970's through 1980's, a drop in the 1990's, and an average increase after that of 2.7 million units per year. Table 17 shows the average annual demand for housing from 1920 with projections to 2020.

TABLE 17

Average annual demand for housing in the United States, by source of demand, 1920-70, with projections to 2020

(THOUSAND UNITS)

Period	Total demand	Household formations	Vacancies—conventional units	Net replacements			Mobiles not used as primary residences
				Total	Conventional units	Mobiles used as primary residences	
1920-29----	803.4	556.6	239.0	7.8	-----	-----	-----
1930-39----	365.1	496.2	-22.9	-108.2	-----	-----	-----
1940-49----	809.0	800.5	80.7	-72.2	-----	-----	-----
1950-59----	1,522.4	1,005.2	227.6	267.4	-----	-----	22.2
1960-69----	1,648.7	1,039.3	-23.0	591.3	-----	-----	41.1
			Low projections				
1970-79----	2,340.0	1,490.0	140.0	610.0	500.0	110.0	100.0
1980-89----	2,370.0	1,240.0	160.0	860.0	620.0	240.0	110.0
1990-99----	2,070.0	850.0	140.0	990.0	700.0	290.0	90.0
2000-09----	2,160.0	810.0	130.0	1,100.0	770.0	330.0	120.0
2010-19----	2,120.0	670.0	100.0	1,220.0	820.0	390.0	130.0
			Medium projections				
1970-79----	2,460.0	1,550.0	160.0	640.0	520.0	120.0	110.0
1980-89----	2,560.0	1,320.0	180.0	940.0	690.0	250.0	120.0
1990-99----	2,350.0	970.0	190.0	1,090.0	790.0	300.0	110.0
2000-09----	2,690.0	1,090.0	200.0	1,250.0	880.0	370.0	150.0
2010-19----	2,730.0	1,000.0	170.0	1,400.0	950.0	450.0	160.0
			High projections				
1970-79----	2,580.0	1,630.0	170.0	670.0	540.0	130.0	110.0
1980-89----	2,780.0	1,410.0	230.0	1,020.0	770.0	250.0	120.0
1990-99----	2,800.0	1,180.0	280.0	1,210.0	890.0	320.0	130.0
2000-09----	3,460.0	1,540.0	300.0	1,440.0	1,010.0	430.0	180.0
2010-19----	3,660.0	1,510.0	260.0	1,890.0	1,150.0	540.0	200.0

Sources: Household formations—U.S. Department of Commerce, Bureau of the Census, 1920-60—U.S. census of housing, 1960. HC(1)-1. 1963; 1970—1970 census of housing, Ser. HC(V1)-1. 1971.

Vacancies, conventional units—Forest Service estimates derived from data in the following sources: U.S. Department of Commerce, Bureau of the Census. "Historical Statistics of the United States, Colonial Times to 1957," 1960; 1970—Census of housing, Ser. HC(VI)-1. 1971.

Replacements—Forest Service estimates derived from data in the following sources; U.S. Department of Commerce, Bureau of the Census. "Historical Statistics of the United States, Colonial Times to 1957, 1960; United States census of housing, 1960. Vol. IV, Pt. 1-A. 1962.

Mobiles not used as primary residences—Forest Service estimates derived from data in U.S. Department of Commerce, Bureau of the Census, United States census of housing, 1960. Vol. IV, pt. 1-A. 1962.

Projections—U.S. Department of Agriculture, Forest Service.

(2) Nonresidential construction uses approximately 10 percent of the total lumber and plywood produced annually as well as substantial volumes of building board. This category includes nonresidential buildings (private and public) as well as highways, military facilities, conservation and development projects, and railroad construction (except track constructions). Expenditures for nonresidential construction fluctuate in response to changing economic conditions and are responsive to changes in the gross national product. U.S. Forest Service projections show substantial increases for each class of commercial construction.

(3) Manufacturing of products such as household furniture, consumer goods, and commercial and industrial equipment accounts for approximately one-tenth of the lumber, veneer, and plywood, and one-third of hardboard and particleboard produced in the United States. Projections for this market indicate increases in production for all products.

(4) Shipping covers use of wood for wood pallets, containers, dunnage, blocking, and bracing, with the bulk of the category taken by pallets. Most of the commodities are not covered in this subproceeding, but projected growth is estimated to follow manufacturing growth closely, with a significant drop after the 1990's due to expected development of new packing materials.

(5) Pulpwood consumption has increased thirteenfold in the United States from 1920 to 1974. Almost one-half the cubic volume of timber harvested from domestic forests is used as pulpwood. Pulpwood is used primarily for paperboard, and other pulp products, including the manufacture of rayon and plastic. Recent years have shown substantial increases in the use of paper and board products, although each product shows widely divergent growth tends due to differences in end use. For instance, paper is consumed mainly by individuals; paperboard is used mainly for packaging and, therefore, fluctuates with per capita gross national product. Building board is used mainly in construction and its use varies with the trends in that

sector. Projections of demand for all pulpwood products by the year 2020 range from a low of 1.7 times 1974 consumption to a high of 3.4 times 1974 consumption.

(6) Consumption of miscellaneous roundwood products is expected to remain at substantially the same total levels as current consumption, with greater individual fluctuations.

(b) *Imports and exports.*—Overall, the United States is a net importer of lumber and lumber products. Imports provide about 12 percent of domestic consumption of lumber, plywood, and veneer, and pulp products. In 1972, the United States imported $4.5 billion of lumber and lumber products, 6.1 percent of total U.S. imports for that year.

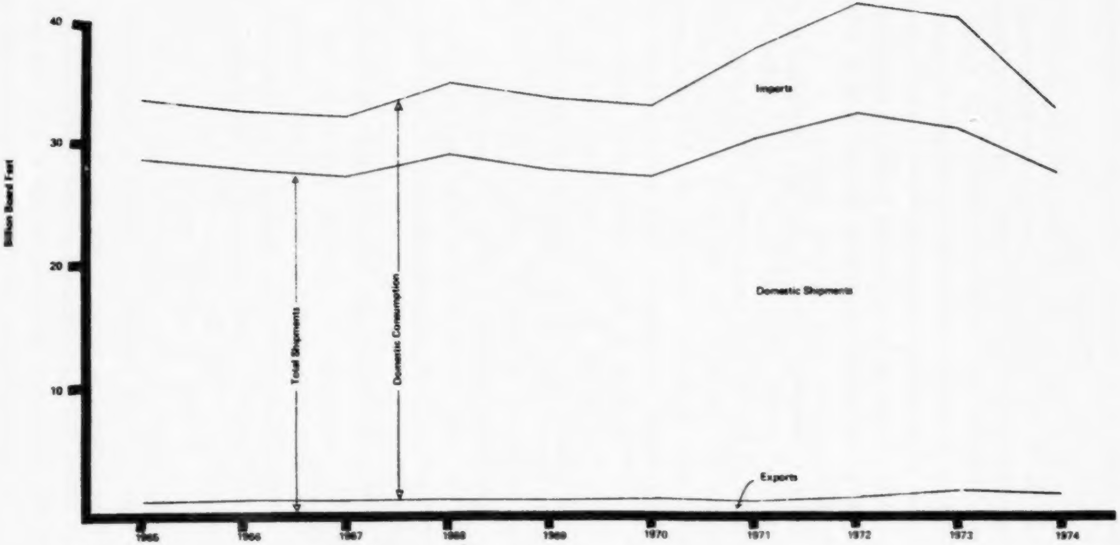
Table 18 summarizes U.S. lumber imports, by type of wood and country of origin, from 1950-1973. The table indicates that total imports of all species have nearly tripled since 1950. The bulk of imports (99 percent for the years 1970-72) consists of softwood lumber and newsprint from Canada. Although not large in terms of volume, hardwood imports have also increased substantially since 1950, mainly from Korea, Taiwan, and Japan.

Table 19 summarizes U.S. exports of lumber by type and country of destination. Most of the increased shipments in recent years have gone to Japan, with smaller amounts to Europe, Latin America, and other countries. Softwood sawlogs, softwood lumber, woodchips and woodpulp represent about 70 percent of total U.S. exports. Export of logs accounts for a large part of U.S. exports; by far the largest part of log exports consists of softwood logs destined for Japan.

Figure 2 illustrates the trend in U.S. imports and exports from 1964-74.

Figure 2

U. S. SOFTWOOD LUMBER 1/
Shipments, Exports & Imports



1/ Courtesy of the National Forest Products Association.

TABLE 18

—U. S. imports of lumber, by softwoods and hardwoods and country of origin, 1950-73[1]

(MILLION BOARD FEET)

Year	All species[2]				Softwoods				Hardwoods			
	Total	Canada	Mexico	Other	Total[3]	Canada[3]	Mexico	Other	Total	Canada	Mexico	Other
1950	3,423.5	3,102.2	208.0	113.3	3,140.2	2,899.5	191.4	49.3	283.2	202.7	16.6	64.0
1951	2,511.6	2,240.3	135.5	135.8	2,250.0	2,080.2	119.0	50.8	261.6	160.1	16.5	84.9
1952	2,481.6	2,257.7	106.0	117.9	2,266.9	2,139.9	92.1	35.0	214.7	117.9	13.9	82.9
1953	2,759.4	2,541.2	83.8	134.3	2,526.8	2,409.6	73.0	44.2	232.6	131.7	10.9	90.1
1954	3,063.1	2,844.1	80.0	139.0	2,854.6	2,747.7	74.5	32.4	208.5	96.4	5.5	106.6
1955	3,593.0	3,349.7	75.3	168.1	3,326.8	3,225.9	69.7	31.2	266.3	123.8	5.6	136.9
1956	3,404.5	3,168.3	51.6	184.6	3,131.0	3,060.7	47.8	22.5	273.5	107.6	3.8	162.1
1957	2,958.0	2,754.0	53.0	150.9	2,711.9	2,644.7	48.2	19.0	246.1	109.3	4.8	132.0
1958	3,389.6	3,177.8	49.3	162.5	3,154.5	3,088.0	45.1	21.4	235.1	89.7	4.3	141.1
1959	4,063.6	3,785.9	53.1	224.6	3,741.5	3,661.7	49.7	30.2	322.0	124.2	3.4	194.4
1960	3,930.6	3,693.9	41.6	195.1	3,639.3	3,576.1	36.9	26.4	291.2	117.8	4.7	168.7
1961	4,257.9	4,042.6	48.5	166.8	4,013.4	3,943.4	43.7	26.3	244.5	99.2	4.8	140.5
1962	4,892.9	4,637.7	47.8	207.4	4,583.7	4,507.1	40.4	36.2	309.2	130.6	7.4	171.2
1963	5,335.4	5,104.7	28.6	202.0	5,032.0	4,975.6	24.4	32.0	303.3	129.1	4.3	170.0
1964	5,222.6	5,004.1	10.2	208.4	4,917.5	4,872.0	7.0	38.5	305.1	132.0	3.1	169.9
1965	5,232.5	5,016.6	10.1	205.8	4,898.1	4,855.7	8.1	34.3	334.3	160.9	2.0	171.4
1966	5,200.1	4,920.9	5.2	274.0	4,779.2	4,730.4	3.7	45.2	420.8	190.5	1.5	228.8
1967	5,140.7	4,902.5	5.5	232.7	4,798.1	4,747.1	3.1	47.9	342.7	155.4	2.5	184.8
1968	6,154.2	5,899.2	4.0	251.1	5,809.1	5,750.0	3.2	55.9	345.1	149.2	.8	195.1
1969	6,300.6	5,963.4	6.7	330.6	5,854.0	5,784.4	5.8	63.7	446.6	179.0	.8	266.8
1970	6,114.3	5,867.6	7.5	239.3	5,777.7	5,722.5	5.5	49.7	336.7	145.1	2.0	189.6
1971	7,606.8	7,331.9	6.5	268.4	7,249.0	7,189.4	4.9	54.7	357.8	142.5	1.6	213.7
1972	9,433.6	9,029.2	20.8	383.6	8,984.8	8,877.8	18.7	88.4	448.8	151.4	1.9	295.5
1973[4]	9,556.4	8,995.8	20.3	540.4	9,013.1	8,840.6	17.5	155.0	543.3	155.2	2.8	385.3

[1] Data may not add to totals because of rounding.

[2] Excludes mixed species (not classified as softwoods or hardwoods) for the years 1950-59.

[3] Includes small volumes of hardwoods for the years 1960-72.

[4] Preliminary.

Sources: 1950-59, National Forest Products Association; 1960-72 U.S. Department of Agriculture, Forest Service, reporting statistics published by U.S. Department of Commerce, Bureau of the Census (63). Data for selected years 1929-49 in *The demand and price situation for forest products, 1964*, table 11.

Source: Forest Service, USDA, The Demand and Price Situation for Forest Products, 1973-1974 (Washington, D.C., 1974), p. 67.

TABLE 19

—U.S. exports of lumber, by softwoods and hardwoods and country of destination, 1950-73[1]

(MILLION BOARD FEET)

Year	All species[2]					
	Total	Canada	Europe[3]	Central and South America[4]	Japan	Other
1950	517.7	88.6	123.5	145.7	5.8	154.1
1951	997.6	134.5	336.5	176.0	18.7	302.0
1952	727.3	168.6	171.8	165.3	12.0	209.7
1953	643.1	161.2	93.6	144.6	58.2	185.5
1954	718.0	161.1	116.3	147.5	16.0	277.2
1955	841.0	218.7	145.3	173.3	29.6	274.1
1956	761.3	268.6	133.5	164.2	32.9	162.2
1957	811.1	237.4	122.8	171.5	47.6	231.8
1958	727.2	262.1	105.2	124.3	34.6	201.0
1959	787.3	333.6	98.3	120.3	52.9	182.1
1960	860.7	252.9	162.9	118.5	56.3	270.1
1961	773.1	232.5	152.7	87.4	147.5	153.1
1962	759.7	196.9	172.0	103.7	74.1	212.9
1963	874.9	186.1	232.0	99.0	114.5	243.4
1964	955.6	282.2	243.5	111.7	131.0	187.2
1965	919.1	285.1	249.4	118.8	105.7	160.1
1966	1,022.6	309.0	250.1	123.8	174.4	165.2
1967	1,129.5	338.0	261.0	116.7	265.8	147.9
1968	1,161.6	295.4	304.3	110.3	288.5	163.0
1969	1,142.3	285.0	278.3	109.6	317.2	152.2
1970	1,288.9	269.9	302.4	127.2	429.2	160.2
1971	1,096.6	289.3	238.9	100.5	323.1	144.7
1972	1,452.1	419.5	286.0	102.9	502.8	140.9
1973[5]	1,982.7	565.0	523.8	118.4	569.2	206.3

See footnotes at end of table.

TABLE 19—Continued

—U.S. exports of lumber, by softwoods and hardwoods and country of destination, 1950-73[1]*—*Continued

(MILLION BOARD FEED—Continued)

Year	Softwoods					
	Total	Canada	Europe[3]	Central and South America[4]	Japan	Other
1950	406.8	41.7	83.1	136.8	5.7	139.4
1951	875.7	71.4	324.2	164.6	18.7	296.8
1952	565.7	84.7	109.4	155.3	11.9	204.2
1953	512.6	75.8	71.2	136.8	58.0	170.8
1954	584.7	86.3	97.4	139.3	15.9	245.9
1955	652.4	119.1	95.8	147.6	29.5	260.4
1956	570.7	158.9	85.8	136.6	32.8	156.6
1957	623.4	138.6	88.1	148.8	47.4	200.4
1958	550.1	154.8	64.5	113.2	34.4	183.2
1959	607.9	198.5	80.5	104.2	52.6	172.2
1960	693.8	144.7	134.6	101.2	55.7	257.7
1961	618.2	150.2	108.4	80.3	146.8	132.5
1962	628.6	119.3	142.3	95.6	73.5	197.9
1963	743.1	107.9	198.9	92.0	112.5	231.7
1964	811.5	180.3	214.5	103.9	128.5	184.4
1965	778.9	184.0	229.3	104.8	103.1	157.7
1966	867.9	186.5	230.3	118.3	171.3	161.5
1967	965.2	207.6	241.0	112.5	260.7	143.5
1968	1,048.1	210.4	288.9	105.3	284.8	158.6
1969	1,023.8	198.3	264.6	102.5	309.6	148.9
1970	1,161.1	202.6	284.0	112.4	405.2	156.9
1971	936.2	206.3	213.8	87.6	287.4	141.1
1972	1,190.8	290.1	267.6	89.1	407.1	137.0
1973[5]	1,752.8	388.4	494.2	101.6	564.5	204.1
			Hardwoods			
1950	110.9	46.9	40.4	8.9	0.1	14.7
1951	121.9	63.1	42.2	11.3	-----	5.2
1952	161.6	83.8	62.3	10.0	-----	5.5
1953	130.5	85.5	22.3	7.8	.2	14.7
1954	133.3	74.9	18.9	8.2	.1	31.3
1955	188.6	99.6	49.5	25.7	.2	13.7
1956	190.5	109.7	47.6	27.5	.1	5.7
1957	187.7	98.8	34.7	22.7	.1	31.4
1958	177.1	107.3	40.7	11.1	.2	17.8
1959	179.4	135.1	17.9	16.2	.3	9.9
1960	166.9	108.2	28.4	17.4	.5	12.4

See footnotes at end of table.

TABLE 19—Continued

—U.S. exports of lumber, by softwoods and hardwoods and country of destination, 1950-73[1]—Continued

(MILLION BOARD FEED—Continued)

	Hardwoods					
Year	Total	Canada	Europe[3]	Central and South America[4]	Japan	Other
1961	154.9	82.3	44.3	7.0	.6	20.7
1962	131.1	77.6	29.7	8.1	.6	15.1
1963	131.8	78.1	33.1	6.9	2.0	11.7
1964	144.1	101.9	29.0	7.8	2.5	2.9
1965	140.2	101.1	20.1	14.0	2.6	2.4
1966	154.7	122.5	19.9	5.5	3.1	3.7
1967	164.3	130.4	20.0	4.3	5.1	4.5
1968	113.5	85.0	15.4	5.0	3.8	4.4
1969	118.4	86.7	13.7	7.1	7.7	3.3
1970	127.9	67.3	18.4	14.8	24.0	3.3
1971	160.3	83.0	25.2	12.9	35.7	3.6
1972	261.3	129.4	18.4	13.8	95.7	4.0
1973[5]	229.9	176.6	29.6	16.8	4.7	2.2

[1] Data may not add to totals because of rounding.

[2] Excludes mixed species (not classified as softwoods or hardwoods) for the years 1950-59.

[3] Including the United Kingdom.

[4] Including Mexico.

[5] Preliminary.

Sources: 1950-59, National Forest Products Association; 1960-72, U.S. Department of Agriculture, Forest Service, reporting statistics published by U.S. Department of Commerce, Bureau of the Census (62). Data for selected years 1929-49 in *The demand and price situation for forest products, 1964,* table 12.

Source: Forest Service, USDA, The Demand and Price Situation for Forest Products, 1973-1974 (Washington, D.C., 1974), p. 68.

Future trends in U.S. imports and exports of timber products will largely depend on the economic availability of timber in the major forested area of the world and on the timber demand-supply price situation in the major consuming areas. The timber situation in Canada, and to a lesser extent in the major hardwood areas, is of primary importance in appraising future imports, while demand in Western Europe and Japan is significant in estimating export trends.

Table 20 summarizes lumber production, imports, exports, and consumption for the years between 1950 and 1973.

7. Transportation and distribution

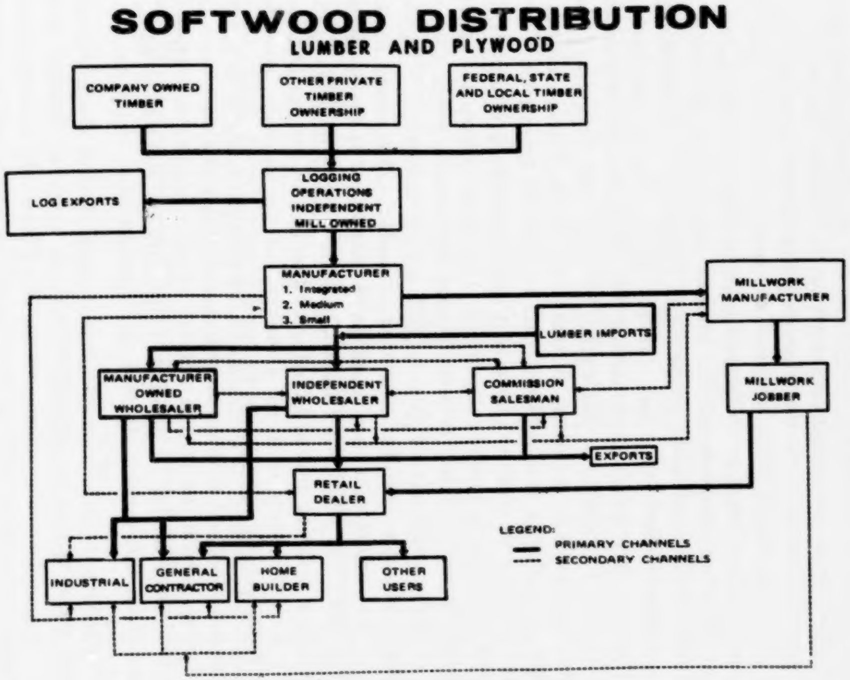
Lumber and lumber products move through a distribution system of wholesalers and retailers who move products from the mill to end users. The system allows a producer to include almost the entire United States in his market and allows the purchaser to have access to lumber from any producing area in the United States.

Figure 3 illustrates the distribution patterns for softwood lumber and plywood. Some mills wholesale a small portion of their end product to final users or to factories for further processing, but the major distribution channels for lumber and lumber products are manufacturer-owned and independent wholesalers. Manufacturer-owned wholesalers may buy lumber from other companies in addition to their parent companies. The manufacturer-wholesalers sell chiefly to retailers, residential builders and industrial users. These wholesalers maintain distribution yards where lumber is bought in carloads and redistributed in smaller quantities.

Independent wholesalers usually do not manufacture lumber, but instead take title to lumber shipments. They may or may not operate distribution yards. If they do not operate distribution yards, they use one of these methods of buying and selling lumber: (1) forward buying, without a specific customer or order; (2) forward selling, before the wholesaler has purchased lumber; (3) back-to-back buying, when the wholesaler buys and sells simultaneously. Transit wholesalers practice forward buying and selling of lumber in transit which is not committed to a buyer, in an attempt to make speculative profits on changes in the market price of lumber. They maintain a stock of rolling inventory for this purpose.

Retailers handle the largest volume of total lumber and plywood sales (64 percent and 75 percent, respectively). Retailers range in service from full-service dealers to cash-and-carry suppliers.

Figure 3[1]


SOFTWOOD DISTRIBUTION
LUMBER AND PLYWOOD
COMPANY OWNED TIMBER
OTHER PRIVATE TIMBER OWNERSHIP
FEDERAL, STATE AND LOCAL TIMBER OWNERSHIP
LOG EXPORTS
LOGGING OPERATIONS INDEPENDENT MILL OWNED
MANUFACTURER
1. Integrated
2. Medium
3. Small
MILLWORK MANUFACTURER
LUMBER IMPORTS
MANUFACTURER OWNED WHOLESALER
INDEPENDENT WHOLESALER
COMMISSION SALESMAN
MILLWORK JOBBER
EXPORTS
RETAIL DEALER
LEGEND:
PRIMARY CHANNELS
SECONDARY CHANNELS
INDUSTRIAL
GENERAL CONTRACTOR
HOME BUILDER
OTHER USERS

---

[1] Reproduced with the permission of the North American Wholesale Lumber Asso., Inc.

Figures 4 and 5 below show the distribution of softwood lumber at each step in the process as percentages of the whole.

Figure 4

Distribution of softwood lumber (percent)

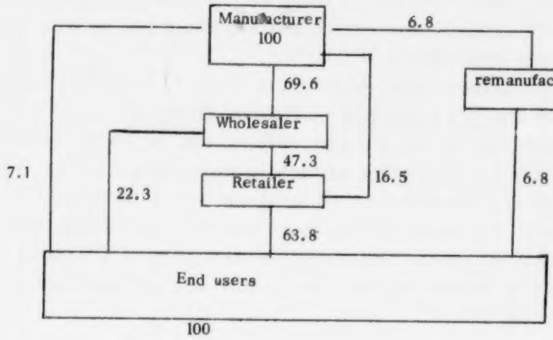
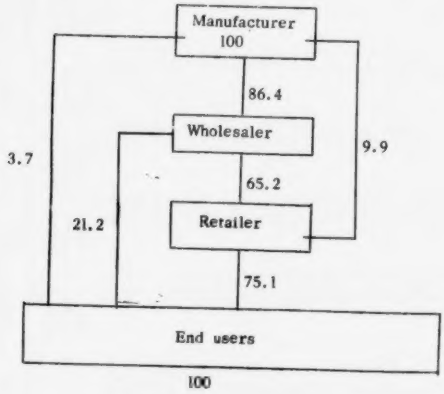

Manufacturer
100
6.8
remanufacturer
69.6
Wholesaler
47.3
Retailer
7.1
22.3
16.5
6.8
63.8
End users
100

Figure 5

Distribution of softwood plywood (percent)


Manufacturer
100
86.4
Wholesaler
9.9
3.7
65.2
21.2
Retailer
75.1
End users
100

8. Destination of shipments

Information gathered from the 1972 census of transportation (summarized in table 21) shows that western wood products dominate all major markets within the United States except those with the South. Over 80 percent of the shipments which originate within the South terminate within the South, while less than 60 percent of shipments originating in mountain Pacific territory terminate there. The South ships considerably less than the West to west north central and mountain Pacific destinations, and slightly less to the Northeast.

Table 22 shows data, taken from the 1972 waybill sample, which illustrates the predominant territorial flows of the SPC commodity groups covered in this subproceeding, and table 23 describes major traffic flows for the same groups in percentage terms. Their tables also show the domination of western wood in most U.S. markets, particularly for such products as lumber, millwork, plywood, and wood particle board. Shipments from southern territory are mainly destined for points within the South and official territory for all commodities listed.

TABLE 20

Lumber production, imports, exports, and consumption, by softwoods and hardwoods, 1950-73[1]

Year	Domestic production			Imports			Exports			Apparent consumption			Per capita consumption		
	Total	Softwoods	Hardwoods	Total	Softwoods[2]	Hardwoods	Total	Softwoods[2]	Hardwoods	Total	Softwoods	Hardwoods	Total	Softwoods	Hardwoods
	Billion board feet	*Billion board feet*	*Billion board feet*	*Billion board feet*	*Billion board feet*	*Billion board feet*	*Billion board feet*	*Billion board feet*	*Billion board feet*	*Billion board feet*	*Billion board feet*	*Billion board feet*	*Board feet*	*Board feet*	*Board feet*
1950----	38.0	30.6	7.4	3.4	3.1	0.3	0.5	0.4	0.1	40.9	33.4	7.5	269	219	50
1951----	37.2	29.5	7.7	2.5	2.3	.3	1.0	.9	.1	38.7	30.9	7.8	250	199	51
1952----	37.5	30.2	7.2	2.5	2.3	.2	.7	.6	.2	39.2	31.9	7.3	249	203	46
1953----	36.7	29.6	7.2	2.8	2.5	.2	.6	.5	.1	38.9	31.6	7.3	243	197	45
1954----	36.4	29.3	7.1	3.1	2.9	.2	.7	.6	.1	38.7	31.5	7.1	237	194	44
1955----	37.4	29.8	7.6	3.6	3.3	.3	.8	.7	.2	40.1	32.5	7.6	242	196	46
1956----	38.2	30.2	8.0	3.4	3.2	.3	.8	.6	.2	40.9	32.8	8.1	242	194	48
1957----	32.9	27.1	5.8	3.0	2.7	.2	.8	.6	.2	35.0	29.2	5.8	204	170	34
1958----	33.4	27.4	6.0	3.4	3.2	.2	.7	.6	.2	36.1	30.0	6.1	206	171	35
1959----	37.2	30.5	6.7	4.1	3.8	.3	.8	.6	.2	40.5	33.7	6.8	228	189	38
1960----	32.9	26.7	6.3	3.9	3.6	.3	.9	.7	.2	36.0	29.6	6.4	199	164	35
1961----	32.0	26.1	6.0	4.3	4.0	.2	.8	.6	.2	35.5	29.5	6.0	193	160	33
1962----	33.2	26.8	6.4	4.9	4.6	.3	.8	.6	.1	37.3	30.8	6.5	200	165	35
1963----	34.7	27.6	7.2	5.3	5.0	.3	.9	.7	.1	39.2	31.8	7.3	207	166	39
1964----	36.6	29.3	7.3	5.2	4.9	.3	1.0	.8	.1	40.8	33.4	7.4	213	174	39
1965----	36.8	29.3	7.5	5.2	4.9	.3	.9	.8	.1	41.1	33.4	7.7	212	172	39
1966----	36.6	28.8	7.7	5.2	4.8	.4	1.0	.9	.2	40.8	32.8	8.0	207	167	41
1967----	34.7	27.3	7.4	5.1	4.8	.3	1.1	1.0	.2	38.8	31.1	7.6	195	157	38
1968----	36.5	29.3	7.2	6.2	5.8	.3	1.2	1.0	.1	41.5	34.0	7.4	207	170	37
1969----	35.8	28.3	7.5	6.3	5.9	.4	1.1	1.0	.1	41.0	33.2	7.8	202	164	39
1970----	34.7	27.5	7.1	6.1	5.8	.3	1.3	1.2	.1	39.5	32.1	7.3	193	157	36
1971----	37.0	30.0	6.9	7.6	7.2	.4	1.1	.9	.2	43.5	36.4	7.1	210	176	34
1972[3]---	38.0	31.2	6.8	9.4	9.0	.4	1.5	1.2	.3	46.0	39.0	7.0	220	187	34
1973[3]---	38.3	31.5	6.8	9.6	9.0	.5	2.0	1.8	.2	45.8	38.7	7.1	218	184	34

[1] Data may not add to totals because of rounding.

[2] Includes small volumes of mixed species (not classified as softwoods or hardwoods).

[3] Preliminary estimates.

Note: Estimates of lumber production for 1973 are based in part upon data published by the National Forest Products Association (25) and related associations (32, 33, 77).

Sources: U.S. Department of Commerce, Bureau of the Census (57, 62, 63); USDA, Forest Service data for selected years 1899-1949 in The Demand and Price Situation for Forest Products, 1964, table 7.

TABLE 21

Destination of shipments via all modes originating in the West and South for STCC 242 (Sawmill and planing mill products)

(IN THOUSANDS OF TONS)

Destination

Origin	Northeast		West North Central		South-Southwest		Mountain Pacific	
	Tons	Percent	Tons	Percent	Tons	Percent	Tons	Percent
Mountain Pacific	3,721.31	17.2	2,470.91	11.4	2,999.56	13.9	12,461.05	57.6
South	2,071.57	15.1	406.83	3.0	11,166.5	81.4	78.22	0.6

Note: Origins and destinations roughly conform to census regions.

TABLE 22

Statistics on major commodity flows

LUMBER SPC 48

Origin territory	Destination territory	Carloads	Tons	Revenue	Miles	Tons per car	Miles per car
Southern	Official	98	4,909	$66,534	73,539	50.09	750.40
Southern	Southern	238	13,608	84,432	86,354	57.18	362.83
Mountain Pacific	Official	809	31,705	1,155,849	2,061,315	39.19	2,547.98
Mountain Pacific	Southern	288	10,945	414,225	775,518	38.00	2,692.77
Mountain Pacific	WTL	653	25,930	836,680	1,194,751	39.71	1,829.63
Mountain Pacific	Southwestern	365	14,652	481,412	797,392	40.14	2,184.64
Mountain Pacific	Mountain Pacific	1,025	45,110	690,339	766,834	44.01	748.13

Statistics on major commodity flows—Continued

Origin territory	Destination territory	Carloads	Tons	Revenue	Miles	Tons per car	Miles per car
Treated wood products SPC 49							
Official	Official	52	1,762	$13,571	12,530	33.88	240.96
Southern	Official	15	581	6,712	5,339	38.73	355.93
Southern	Southern	38	1,340	7,938	7,411	35.26	195.03
WTL	WTL	22	909	5,448	5,062	41.32	230.09
Southwestern	Southwestern	73	2,712	19,520	20,673	37.15	283.19
Wood posts, poles or piling SPC 50							
Southern	Official	77	2,787	49,823	62,844	36.19	816.16
Southern	Southern	160	5,992	43,444	39,873	37.45	249.21
Southwestern	Southwestern	90	3,037	24,586	24,866	33.74	276.29
Mountain Pacific	Mountain Pacific	59	2,130	23,684	23,733	36.10	402.25
Millwork and other lumber products SPC 51							
Official	Official	27	611	12,198	21,571	22.63	798.93
Southern	Southern	16	584	5,524	7,469	36.50	466.81
WTL	Official	43	743	19,384	39,297	17.28	913.88
Southwestern	Official	23	728	13,620	31,492	31.65	1,369.22
Southwestern	Southwestern	37	1,126	10,401	13,491	30.43	364.62
Mountain Pacific	Official	46	1,387	51,948	117,452	30.15	2,553.30
Mountain Pacific	Southern	32	1,050	38,604	86,791	32.81	2,712.22
Plywood or veneer SPC 52							
Southern	Southern	182	8,943	55,809	58,074	49.14	319.09
Mountain Pacific	Official	445	19,287	750,360	1,235,482	43.34	2,776.36

Statistics on major commodity flows—Continued

Origin territory	Destination territory	Carloads	Tons	Revenue	Miles	Tons per car	Miles per car
	Plywood or veneer SPC 52—Continued						
Mountain Pacific	Southern	137	5,851	$224,177	393,950	42.71	2,875.55
Mountain Pacific	WTL	218	9,193	305,109	436,938	42.17	2,004.30
Mountain Pacific	Mountain Pacific	472	20,943	305,067	309,965	44.37	656.71
	Wood particle board SPC 54						
Southern	Official	45	2,506	32,030	31,731	55.69	705.13
Southern	Southern	69	4,002	26,736	27,233	58.00	394.68
Southwestern	Southwestern	47	2,741	22,599	18,860	58.32	401.28
Mountain Pacific	Official	89	4,312	171,223	233,371	48.45	2,622.15
Mountain Pacific	Mountain Pacific	132	6,782	107,339	112,693	51.38	853.73
Mountain Pacific	WTL	63	3,218	109,394	128,658	51.08	2,042.19

Source: Carload Waybill Statistics, *supra*, note 51.

TABLE 23

Major traffic flows described in percentage terms

Origin territory	Destination territory	Percent of total traffic	
		Carloads	Tons
	Lumber SPC 48		
South	Official	28	25
Do	South	68	71
Mountain Pacific	Official	26	25
Do	South	9	9
Do	WTL	21	20
Do	Southwest	12	11
Do	Mountain Pacific	33	35
	Treated wood products SPC 49		
Official	Official	100	100
South	do	28	30
Do	South	72	70
WTL	WTL	69	93
Southwest	Southwest	89	96
	Wood posts, poles or piling SPC 50		
South	Official	31	30
Do	South	64	65
Southwest	Southwest	76	76
Mountain Pacific	Mountain Pacific	65	66
	Millwork and other lumber products SPC 51		
Official	Official	73	63
South	South	76	76
WTL	Official	54	51
Southwest	do	28	30
Do	Southwest	46	48
Mountain Pacific	Official	35	37
Do	South	25	28
	Plywood or veneer SPC 52		
South	South	68	68
Mountain Pacific	Official	33	32
Do	South	10	10
Do	WTL	16	15
Do	Mountain Pacific	35	35

Major traffic flows described in percentage terms—Continued

Origin territory	Destination territory	Percent of total traffic	
		Carloads	Tons
	Wood particle board SPC 54		
South	Official	36	35
Do	South	55	56
Southwest	Southwest	41	44
Mountain Pacific	Official	26	25
Do	Mountain Pacific	38	39
Do	WTL	18	19

Source: 1972 waybill tape.

9. Mode

According to data from the census of transportation, shipments which move over 500 miles are more likely to travel by rail; those moving less than 500 miles will go by truck. There is a limited amount of water transportation of lumber and lumber products, mainly from the West, although statistics submitted by the western carriers indicate that water transportation is declining. Table 24 gives the modal split characteristics for shipments of all commodities in STCC 242 (Sawmill and Planing Mill Products) by region of origin and destination.

The predominant mode for intraregional shipments is motor carrier, which accounts for 80 percent of movements within the East, 69 percent within the South, and 83 percent within the Southwest. The only exception is within mountain Pacific territory, where motor carriers accounted for 31 percent of the total movements within the territory.

Motor carrier is also the predominant mode for movement from East to WTL (60 percent of the total); from southern to official (62 percent); from southern to southwestern (35 percent); and from southwestern to southern (72 percent).

Table 25 contains a closer examination of the percentage of lumber originating in the South which moves by truck. (The south Atlantic and east south central divisions, when combined, encompass the basic geographical area served by southern district carriers. These two divisions will be used to analyze shipments of lumber and dimension stock originating in southern territory.)

TABLE 24

1972 Modal split characteristics STCC 242 (Sawmill and Planing Mill Products) (by origin and destination)

Origin	Destination									
	East		South		WTL		Southwest		Mountain Pacific	
	Truck	Rail	Truck	Rail	Truck	Rail	Truck	Rail	Truck	Rail
East	0.80	0.19	0.53	0.47	0.60	0.40	(1)	(1)	(1)	(1)
South	.62	.38	.69	.31	(1)	(1)	0.85	0.15	0.9	0.91
WTL	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Southwest	.13	.87	.72	.28	.57	.43	.83	.17	(1)	(1)
Mountain Pacific	(2)	.79	(2)	.96	.06	.94	.22	.78	.31	[2].36

[1] Indicates data not available.

[2] Indicates remainder moved by water.

Note: Due to rounding, some figures may not total 100 percent.

Source: Census of transportation, *supra*, note 91, table 1, pp. 2-2.

TABLE 25

STCC Group 242 percent distribution of geographic division of origin, tonnage and distance shipped, by mode of transport: 1972

Origin division	Total shipments (thousands of tons)	Percentage	Rail		Motor carrier		Private truck	
			Tons	Percentage	Tons	Percentage	Tons	Percentage
Miles								
South Atlantic[1]	5,311	100	1,906,649	35.9	929,425	17.5	2,480,237	46.7
Under 100	1,621	30.5	499,268	30.8	260,981	16.1	860,751	53.1
100 to 199	1,609	30.3	424,776	26.4	284,793	17.7	899,431	55.9
200 to 299	1,133	21.3	486,057	42.9	154,088	13.6	492,855	43.5
300 to 499	776	14.6	404,296	52.1	162,960	21.0	208,744	26.9
500 to 999	138	2.6	58,236	42.2	63,204	45.8	16,560	12.0
1,000 to 1,499	1	--------	------------	--------	1,000	100.0	------------	--------
1,500 or over	30	0.6	29,790	99.3	210	0.7	------------	--------
East South Central[2]	4,182	100	1,045,500	25.0	593,844	14.2	2,530,110	60.5
Under 100	1,558	37.3	179,170	11.5	215,004	13.8	1,163,826	74.7
100 to 199	997	23.8	137,586	13.8	119,640	12.0	734,789	73.7
200 to 299	304	7.3	43,776	14.4	93,936	30.9	162,032	53.3
300 to 499	657	15.7	273,312	41.6	118,917	18.1	264,771	40.3
500 to 999	643	15.4	396,731	61.7	43,081	6.7	203,188	31.6
1,000 to 1,499	8	.2	5,728	71.6	296	3.7	1,976	24.7
1,500 or over	12	.3	9,300	77.5	2,556	21.3	144	1.2

See footnotes at end of table.

STCC Group 242 percent distribution of geographic division of origin, tonnage and distance shipped, by mode of transport: 1972—Continued

Origin division	Total shipments (thousands of tons)	Percentage	Rail		Motor carrier		Private truck	
			Tons	Percentage	Tons	Percentage	Tons	Percentage
Miles								
South Atlantic and East South Central	9,493	100	2,952,149	31.1	1,523,269	16.0	5,010,347	52.7
Under 100	3,179	33.5	678,438	21.3	475,985	15.0	2,024,577	63.7
100 to 199	2,606	27.5	562,362	21.6	404,433	15.5	1,634,200	62.7
200 to 299	1,437	15.1	529,833	36.9	248,024	17.3	654,887	45.6
300 to 499	1,433	15.1	677,608	47.3	281,877	19.7	473,515	33.0
500 to 999	781	8.2	454,967	58.3	106,285	13.6	219,748	28.1
1,000 to 1,499	9	0.1	5,728	63.6	1,296	14.4	1,976	22.0
1,500 or over	42	.4	39,090	93.1	2,766	6.6	144	0.3

[1] Includes the States of Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia.

[2] Includes the States of Alabama, Kentucky, Mississippi, and Tennessee.

Source: U.S. Bureau of the Census, Census of Transportation, 1972, Commodity Transportation Survey—Commodity Series: Lumber and Wood Products Except Furniture/Furniture and Fixtures/Pulp, Paper, and Allied Products, TC72C1-2, STCC 242, table 1.

It can be seen from table 25 that the bulk of the traffic (76.1 percent) from the south Atlantic and east south central divisions moves less than 300 miles; 61 percent of the traffic moves less than 200 miles.

This concentration of tonnage moving shorter distances is due to the abundance of sawmills in the South. There are over 400 sawmills in southern territory. Since customer requirements may be served from nearby mills, long hauls are generally unnecessary.

Private trucking appears to be favored over rail carriage on hauls under 300 miles in the South for several reasons. First, a number of integrated companies maintain private truck fleets to transport lumber and related products from distribution centers to their customers. These trucks generally pick up lumber at the sawmills on their return trips.

Second, there are a substantial number of small retailers which are located off-track and, therefore, do not have rail unloading facilities. In order to receive rail shipments, these retailers must incur the added expense of trucking the shipments for a team track.

These reasons, together with the economics of short-haul transportation which favor trucking over rail, account for the high percentage of tonnage moving by truck within the South.

10. Equipment

When shipped by rail, each commodity group requires a particular type of car. Table 26 shows the predominant car type used by each SPC group. With the exception of groups 49 and 50 (treated wood products and wood posts, poles or piling) the plain boxcar is most often used. Refrigerator cars are used where a commodity demands a cushioned underframe or when boxcars are unavailable.

TABLE 26

Predominant car types used, by commodity group

SPC	Description	Equipment type	Tons	Moves
			Percent	*Percent*
48	Lumber	Plain boxcar	44	50
		Flatcar	46	39
49	Treated wood products	Unequipped gondola	80	80
50	Posts, poles, piling	do	56	56
		Flatcar	37	37
51	Millwork	Plain boxcar	61	60
		Equipped boxcar	20	20
52	Plywood or veneer	Plain boxcar	64	65
		Equipped boxcar	20	19
		Refrigerator	13	13
54	Particle board	Plain boxcar	36	38
		Refrigerator	22	20
		Equipped boxcar	21	19
		Flatcar	14	16

Source: 1972 waybill samples, *supra*, note 51.

Part I(B): Development of the Freight Rate Structure

The rate structures on lumber products have had a long and involved history which cannot be presented in full in this proceeding. However, the parties have presented background material which enables us to present a picture of historical developments in the rate structure as well as specific factors which have affected rates in individual territories.

Part I(B)1: The history of freight rate relationships for lumber and lumber products from the northwest

Rates here discussed apply to milled or dimension construction lumber, which accounts for the largest share of lumber products traffic. The rates for all other lumber products are closely related to the rates for lumber.

Mountain Pacific territory.—As SPC points out the rates throughout mountain Pacific territory have traditionally reflected extensive groupings of origins and destinations. Generally, rates and groupings have not followed a weight-distance scale. As with lumber rates in other parts of the country, they have basically evolved from negotiation between shippers and carriers and reflect both the influence of market forces and intermodal competion.[2]

One of the most important movements in mountain Pacific territory consists of lumber shipped from both coastal and interior mills in northern California, Oregon, and Washington to destinations in California, particularly in the area of San Francisco and Los Angeles. Other important markets are the interior valley points such as Sacramento, Stockton, Fresno, and Bakersfield, Calif. In Arizona, Tucson and Phoenix represent small but important growing markets. Rates to these significant consuming centers have been greatly influenced both by the considerable water-borne transportation from coastal mills to Los Angeles Harbor and San Francisco Bay ports and by the decisions of the Railroad Commission of California, which has not only delayed the imposition of interstate increases but also prescribed appropriate levels of rates on lumber for California intrastate traffic.

In 1927 rail-rate parity existed among producing mills located just north and south of the Oregon-California border. This relationship was maintained until 1954 when California intrastate rates were reduced to prevent diversion of traffic from railroads within the State. The rate spread between southern Oregon and northern California was further widened by subsequent general increases authorized only for interstate traffic.

In 1959 the Commission, in accordance with the Transportation Act of 1958, approved a significant reduction in rates from the mills in Oregon and northern California to the consuming centers in

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[2] Mountain Pacific territory extends all the way from the Canadian border to the southern end of the Sierra Nevadas including the San Joaquin and Sacramento Valleys in California. It also encompasses the coast range section in northern California and broad areas in Washington and Oregon both east and west of the Cascade Mountains. Representative producing centers are Spokane in Washington, and Portland, the Willamette Valley, Klamath Falls, and the Medford area in Oregon.

California and Arizona (table 27). Under the new rates, subject to increased minima of 50,000, 60,000, and 70,000 pounds, the previous parity between shippers in southern Oregon and northern California was restored. Subject to general increases and the imposition of higher minima connected with periodic incentive reductions, these rates have become the current level rates to the principal destinations in California and Arizona.

TABLE 27

Rates on lumber from points in Oregon and California to points in California and Arizona—1959 and prior thereto

From	To	Minimum weight[1]	Previous rate	Rate established in 1959	Reduction	Reduction
			Cents		*Percent*	
Portland, Oreg	San Francisco, Calif	[2]38	64	54	10	15.7
Eugene, Oreg		60	-----	48	16	25.0
Coos Bay, Oreg		70	-----	45	19	29.7
	Los Angeles, Calif	[2]38	103	[3]NC	0	0
		50	95	81	14	14.8
		60	-----	69	26	27.4
		70	-----	64	31	32.7
	Phoenix, Ariz	[2]38	125	97	28	22.4
		60	-----	92	33	26.4
		70	-----	88	37	29.6
	Tucson, Ariz	[2]38	125	102	23	18.4
		60	-----	97	28	22.4
		70	-----	93	32	25.6
Klamath Falls, Oreg	San Francisco, Calif	34	53	43	10	18.9
Medford, Oreg		60	-----	37	16	30.2
		70	-----	34	19	35.9
	Los Angeles, Calif	34	89	NC	0	0
		40	80	67	13	16.3
		60	-----	55	25	31.3
		70	-----	50	30	37.5
		34	116	NC	0	0
		40	-----	88	28	24.2

See Footnotes at end of table.

TABLE 27—Continued

Rates on lumber from points in Oregon and California to points in California and Arizona—1959 and prior thereto—Continued

From	To	Minimum weight[1]	Previous rate	Rate established in 1959	Reduction	Reduction
			Cents		*Percent*	
	Phoenix, Ariz	60	-----	83	33	28.5
		70	-----	79	37	31.9
		34	116	NC	0	0
		40	-----	93	23	19.9
	Tucson, Ariz	60	-----	88	28	24.2
		70	-----	84	32	27.6
Redding, Calif	San Francisco, Calif	34	43	39	4	9.4
Wedd, Calif		60	-----	33	10	23.3
Dorris, Calif		70	-----	30	13	30.3
Hilt, Calif						
		40	67	NC	0	0
	Los Angeles, Calif	60	-----	55	12	17.9
		70	-----	50	17	25.4
		34	116	NC	0	0
		40	-----	88	28	24.2
	Phoenix, Ariz	60	-----	83	33	28.5
		70	-----	79	37	31.9
		34	116	NC	0	0
		40	-----	93	23	19.9
	Tucson, Ariz	60	-----	88	28	24.2
		70	-----	84	32	27.6

See footnotes at end of table.

TABLE 27—Continued

Rates on lumber from points in Oregon and California to points in California and Arizona—1959 and prior thereto—Continued

From	To	Minimum weight[1]	Previous rate	Rate established in 1959	Reduction	Reduction
			Cents		*Percent*	
Eureka, Calif	San Francisco, Calif	34	39	NC	0	0
		60	-----	33	6	15.4
		70	-----	30	9	23.1
	Los Angeles, Calif	34	76	NC	0	0
		50	62	NC	0	0
		60	-----	50	12	19.3
		70	-----	45	17	27.4
	Phoenix, Ariz	34	116	NC	0	0
		40	-----	88	28	24.2
		60	-----	83	33	28.5
		70	-----	79	37	31.9
	Tucson, Ariz	34	116	NC	0	0
		40	-----	93	23	19.9
		60	-----	88	28	24.2
		70	-----	84	32	27.6

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[1] Minimum weight in thousands of pounds.

[2] Minimum weight for 36-foot cars. Higher minima for longer cars.

[3] NC means no change in rate or minimum weight.

Source: *Lumber, California and Oregon to California and Arizona,* 308 I.C.C. 345, 381.

Rates to southwestern territory.—The rates on lumber from the West to other parts of the country have applied from fairly large origin groups. The rates from each group bear a fixed relation to the rates from every other group. For ratemaking purposes these origins have historically consisted of the north Pacific coast group, which encompasses that part of Oregon and Washington west of the Cascade Mountains and a small part of British Columbia; the intermediate group, which consists of points in central Oregon and central Washington; the Inland Empire group, which includes the remainder of Washington and Oregon, western Idaho and northwestern Montana; the California coast group, which comprises the area south from Grants Pass, Oreg., to the Mexican border and west of the summit of the Sierra Nevada; and the Hawlee-Truckee group which embodies the producing points in California and Nevada east of the summit of the Sierra Nevada.

To common destinations in the Southwest, rates from the north Pacific coast group were made 3 to 3.5 cents over the rates from the Inland Empire group. Rates from the California coast group remained appreciably lower to many parts of the Southwest, with rates from the Hawlee-Truckee group made a fixed differential thereunder.

In 1923 the Commission adjusted the southwestern territory into specific destination groupings. Under the new arrangement, as modified to meet shippers' needs,[3] the Southwest was divided into four groups which embraced an area extending from points in eastern Colorado and southern Kansas through New Mexico, Texas, Oklahoma, Arkansas, and Louisiana. Rate differentials from origin groups were preserved.

Group I comprised most of Nebraska, Kansas, southeastern Colorado, western Oklahoma, northwestern Texas, and northern New Mexico. It extended to a line running south from Kansas City, Kansas, through Wichita and Kiowa, Kans., and Amarillo, Tex., to Belen, N. Mex. The rates to this group, which reached north of Omaha, Nebr., were equalized with the rates to the transcontinental lumber group moving northward into Minnesota, thus forming one large rate group running from central New Mexico northeast to the Canadian border. This group remained intact to 1940 but has been somewhat modified today, as can be seen by comparing maps 3 and 4.

Group II stretched south and east from group I, and included all points to the Missouri-Arkansas State line, south Fayetteville, Ark.,

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[3] *West Coast Lumbermen's Asso.* v. *A. & S. Ry. Co.*, 78 I.C.C. 746 (1923).

Sulphur, Okla., Wichita Falls, Stamford, Abilene, San Antonio, and Alpine, Tex., to El Paso.

Group III comprised the remainder of Texas along with Arkansas and southwestern Louisiana.

Group IV encompassed the remainder of Louisiana.

Rates were graded upward from group I to the more distant groups as follows:

Group	*Rate*
I	62.5
II	70
III	77.5
IV	85

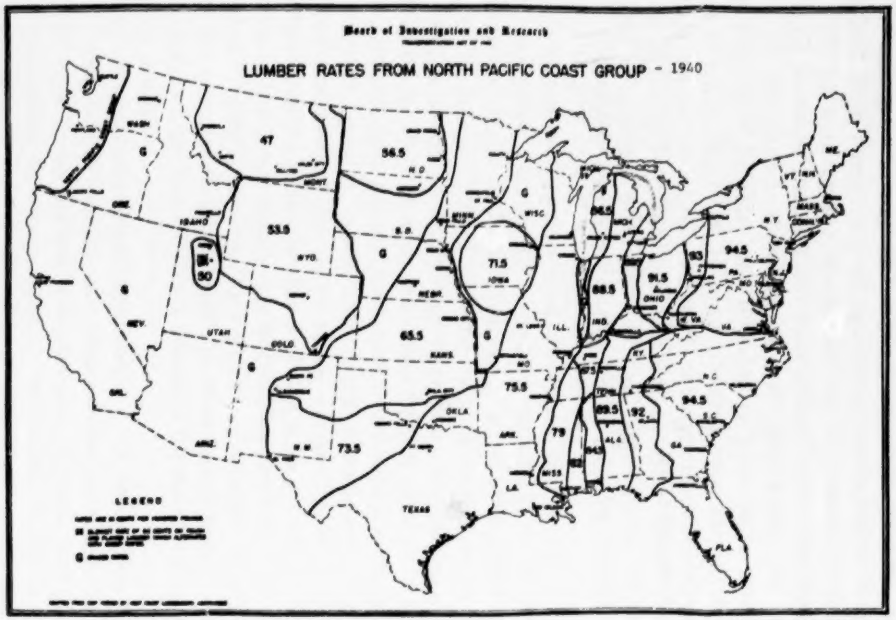
Although further reductions in rates to the southeastern portion of Texas from the Pacific Northwest occurred in 1930, these destination groupings have been maintained to the present with only minor changes, as can be seen in map 4.

Rates to southern territory.—Lumber and lumber products' rates from mountain Pacific to southern territory were originally combinations made on Shreveport, La., or the Mississippi crossings such as Memphis, Tenn. Following negotiations between shippers and carriers, a system of through rates based on combinations was established in 1927. Rates, minimum 30,000 pounds, were equal from coastal origin groups, both north and south, with rates from other origin groups made arbitraries thereunder. Destination territory was divided into nine major groups by north and south boundary lines, as shown in map 3. Rates were graded upward from 76 cents to the group embracing South Carolina and parts of North Carolina, Virginia, Georgia, and Florida. Extensive fourth-section relief was granted to allow traffic to flow freely under this group adjustment, whose outline forms the basis for rates to the southern territory today.

Rates to transcontinental destinations.—Rates on lumber from the far west to midwestern and eastern destinations have applied from the large origin groups in Washington, Oregon, and California. Like movements to other regions, the lumber rates to common destinations in WTL and official territories have generally been the same from the California coast group as from the north Pacific coast group, with rates from the interior groups made differentials thereunder.

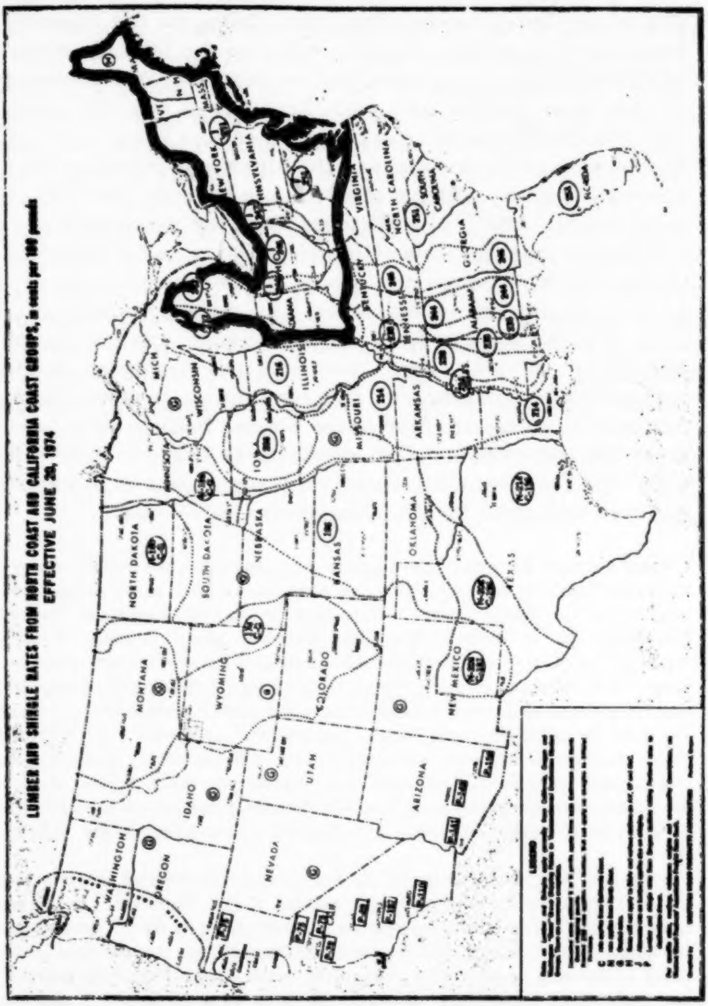
Although graded rates have operated in some areas, destination relationships have traditionally been characterized by large, irregularly shaped groups, each group comprised of portions of several States. All points in each group take the same rate. Rates to the groups have been graded upward with higher rates pertaining to the more distant destination groups. Changes in rates and in the composition of destination groupings have occurred periodically to accommodate commercial and intermodal competition. In 1920 the Pacific coast rates were combination rates usually based on Chicago or Peoria, Ill., Mackinaw City, Mich., or St. Louis, Mo. In 1921 through joint rates were established and rates to WTL and New England territories were reduced from $1.065 to 90 cents to meet water competition through the Panama Canal. To avoid fourth-section violations, rates to the adjacent Buffalo-Pittsburgh group were reduced accordingly. In 1923 the main markets in official territory were regrouped to conform to the new adjustment.

Map 3


Board of Investigation and Research
LUMBER RATES FROM NORTH PACIFIC COAST GROUP - 1940
47
56.5
53.5
G
71.5
65.5
75.5
73.5
79
88.5
91.5
93
94.5
92
89.5
94.5
WASH.
ORE.
IDAHO
MONT.
N.D.
S.D.
WYO.
NEV.
UTAH
COLO.
CAL.
ARIZ.
N.M.
NEBR.
KANS.
OKLA.
TEXAS
MINN.
IOWA
WISC.
MO.
ARK.
LA.
ILL.
IND.
MICH.
OHIO
KY.
TENN.
MISS.
ALA.
GA.
FLA.
S.C.
N.C.
VA.
W.VA.
PA.
N.Y.
MD.
N.J.
CONN.
MASS.
VT.
N.H.
ME.
LEGEND

Source: Board of Investigation and Research, Report on Interterritorial Freight Rates, facing page 210.

Map 4



LUMBER AND SHINGLE RATES FROM NORTH COAST AND CALIFORNIA COAST GROUPS, in cents per 100 pounds
EFFECTIVE JUNE 20, 1974

WASHINGTON
OREGON
IDAHO
NEVADA
UTAH
ARIZONA
MONTANA
WYOMING
COLORADO
NEW MEXICO
NORTH DAKOTA
SOUTH DAKOTA
NEBRASKA
KANSAS
OKLAHOMA
TEXAS
MINNESOTA
IOWA
MISSOURI
ARKANSAS
WISCONSIN
ILLINOIS
MICH
INDIANA
TENNESSEE
ALABAMA
GEORGIA
FLORIDA
SOUTH CAROLINA
NORTH CAROLINA
VIRGINIA
PENNSYLVANIA
NEW YORK
VT
N.H.
MASS
LEGEND

The Commission has periodically modifed the organization of major destinations for rate purposes. In the early 1920's the rate to Chicago was moved back as far as western Iowa, to points where the sum of the lower intermediate rates basing on the Missouri River were met. Accordingly, lumber dealers in the Missouri River cities, who retailed lumber in Iowa, had an important rate advantage over interior Iowa dealers who paid the Chicago rate. To correct this situation, the Commission decided to consider Iowa, bounded by the Missouri River on the west and the Mississippi River on the east, as a natural territory taking a separate rate blanket. The Iowa rate was set above the rate to the Missouri River but lower than the one to the territory between the Mississippi River and Chicago. Though charges to the Chicago rate group, which includes most of Illinois and the eastern half of Wisconsin, have since been kept at a higher level than the rates to Iowa, the Commission has felt that the rate differential between these two blanket territories accords no unreasonable preference to receiving points in Iowa over nearby destinations in eastern Wisconsin. Similar findings have been made regarding the rates to other destinations near the Iowa blanket.

By 1930 the transcontinental rate structure was largely established and was described by the Commission as follows:

> Rates from the western groups apply to destination groups extending eastward from the Idaho-Wyoming State line. Using the north Pacific coast group as representative of origins the destination groups intermediate to the Indiana-Illinois line, generally described, are as follows. The first principal group includes Wyoming, the northeastern portion of Utah, and the north portion of Colorado eastward to the Kansas line. A rate of 51 cents applies to this group. Adjoining this group on the east are two groups, one including North Dakota and a small portion of South Dakota, and the other including Nebraska, Kansas, and a portion of Minnesota. The rates to these two groups are 54 and 62.5 cents respectively. The succeeding group includes Iowa and a small portion of Minnesota and Missouri to which a rate of 68 cents is applicable. The next group is the so-called 72-cent group [which includes Illinois and portions of Wisconsin, Michigan, and Missouri and extends] to the Indiana-Illinois line.
>
> From the California coast group, the first principal destination group includes Utah common points and certain points intermediate thereto. Eastward from this group, the rates from the California coast group are generally grouped the *** same as those from the north Pacific coast group. Crossing the Indiana-Illinois line the rates advance 10.5 cents, resulting in a rate of 82.5 cents to the Grand Rapids-Evansville group. Crossing the succeeding group lines eastward the rates advance 2, 0.5, 2, and 1.5 cents, respectively, resulting in rates of 84.5, 85, 87, and 88.5 cents to the respective groups in central territory. The 88.5-cent group extends to the Buffalo-Pittsburgh line. East thereof is a 90-cent group extending to the Atlantic seaboard.[4]

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[4] *West Coast Lumbermen's Assn.* v. *Akron, C. & Y. Ry. Co.*, 183 I.C.C. 191, 208-9 (1932).

By 1930 a rate of 72 cents applied from coastal origins to a group comprised of Illinois and parts of Wisconsin, Michigan, and Missouri just west of the Illinois-Indiana State line. To the Grand Rapids-Evansville group immediately east of the Illinois-Indiana State line, the rate was 82.5 cents, a jump of 10.5 cents. The rates to the remaining groups eastward to the Atlantic coast were graded upward by no more than 2 cents between groups, i.e., "to the Indianapolis-Lansing, Cincinnati-Detroit, Cleveland-Columbus, and Buffalo-Pittsburgh groups, the rates were 84.5, 85, 87, and 88.5 cents respectively." Rates and distances from representative origins to the principal destinations in each of these groups are shown in table 28. The rate was 90 cents to all destinations east of the Buffalo-Pittsburgh group. There was "no other instance in the entire group adjustment where the difference at a group line [was] as great as that at the Indiana-Illinois line ***." Because of the size of this disparity, some shippers found it profitable to ship by rail to the Chicago district and then truck their lumber to nearby points in Indiana.[5]

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[5] See *West Coast Lumbermen's Assn.* v. *Akron, C.& Y. Ry. Co., supra,* pp. 202 and 209.

TABLE 28

Rates and distances from representative origins to the principal destinations in Illinois and groups east—1930[1]

To—	From Seattle, Wash.		From Weed, Calif.		From Bend, Oreg.		From Spokane, Wash.		From Truckee, Calif.	
	Distance	Rate	Distance	Rate	Distance	Rate	Distance	Rate	Distance	Rate[3]
	Miles	*Cents*	*Miles*	*Cents*	*Miles*	*Cents*	*Miles*	*Cents*	*Miles*	*Cents*
Chicago, Ill	2,102	72	2,291	72	2,190	70	1,804	68.5	2,052	69
Freeport, Ill	1,999	72	2,189	72	2,087	70	1,701	68.5	1,950	69
Cairo, Ill	2,327	72	2,333	72	2,350	70	2,029	68.5	2,094	69
Grand Rapids-Evansville group:										
Evansville, Ind	2,325	82.5	2,353	[2]80	2,412	80.5	2,027	[2]76.5	2,113	[2]77
Ludington, Mich	2,087	82.5	2,504	82.5	2,175	80.5	1,789	79	2,168	79.5
Bedford, Ind	2,348	82.5	2,408	82.5	2,436	80.5	2,050	79	2,168	79.5
Indianapolis-Lansing group:										
Lansing, Mich	2,229	84.5	2,486	84.5	2,316	82.5	1,931	81	2,245	81.5
Indianapolis, Ind	2,285	84.5	2,401	84.5	2,373	82.5	1,987	81	2,161	81.5
Cincinnati-Detroit group:										
Lima, Ohio	2,310	85	2,484	85	2,397	83	2,012	81.5	2,245	82
Cincinnati, Ohio	2,382	85	2,510	85	2,470	83	2,084	81.5	2,271	82
Louisville, Ky	2,395	85	2,458	85	2,483	83	2,097	81.5	2,219	82
Cleveland-Columbus group:										
Columbus, Ohio	2,397	87	2,566	87	2,484	85	2,099	83.5	2,327	84
Cleveland, Ohio	2,434	87	2,620	87	2,522	85	2,136	83.5	2,381	84
Buffalo-Pittsburgh group:										
Chillicothe, Ohio	2,446	88.5	2,591	88.5	2,534	86.5	2,148	85	2,351	85.5
Buffalo, N.Y	2,505	88.5	2,784	88.5	2,593	86.5	2,208	85	2,543	85.5
Pittsburgh, Pa	2,556	88.5	2,746	88.5	2,644	86.5	2,258	85	2,506	85.5

[1] Source: 183 I.C.C. 202-203.

[2] Exceptions to the group rates and applicable only over specified routes.

[3] Effective January 18, 1930, rates shown in this column were reduced 0.5 cents.

In 1932 the Commission held that, although the rates were not unreasonable, when distance was considered, the rate disparity east and west of the Illinois-Indiana State line resulted in undue prejudice to lumber dealers in Indiana. It prescribed a remedy. But the Commission found upon further examination that the shippers' allegations of undue prejudice had been withdrawn. The Commission then vacated its finding as to undue prejudice, since the carriers were unwilling to lower rates otherwise found reasonable, and since the shippers were loath to have disparity removed by a rate increase. The carriers established a buffer zone of graded rates between Illinois and Indiana to deter the motor carriage which the previous adjustment had encouraged. This zone can be seen in map 3.

In 1935, to meet intercoastal competition through the Panama Canal which had been steadily increasing since 1920, the carriers published a specially reduced rate, with the Commission's approval, for a restricted description of lumber to a large destination area referred to as "blanket territory." The new rate was published to apply on:

> *** "Lumber, the product of saw and planing mills, not further advanced in manufacture than by sawing, resawing and passing lengthwise through a standard planing machine, cross-cut to length and end-matched." *** [*Lumber from Pacific Coast to Eastern Points*, 210 I.C.C. 317, 318 (1935).]

This description was used to limit the application of the lower rate to those products which moved in volume by the intercoastal routes. This type of lumber is also known as "milled lumber" or "dimension construction lumber."

The destination territory to which the lower charge applied basically corresponded to official territory, extending eastward from Chicago to the Atlantic Ocean. See map 4. As originally published, the reduced rate for milled lumber was 72 cents. Since other types of lumber did not move in such volume by water, their rates remained graded upward throughout official territory as follows:

TABLE 29

To	From	
	Coastal groups	Interior groups
Grand Rapids, Mich.-Evansville, Ind	82.5	79
Lansing, Mich.-Indianapolis, Ind	84.5	81
Cincinnati, Ohio-Detroit, Mich	85	81.5
Cleveland-Columbus, Ohio	87	83.5
Buffalo, N.Y.-Pittsburgh, Pa	88.5	85
Trunk Lines and New England	90	87

The next major change in transcontinental lumber rates came in 1961 when the Commission, over the strong protests of intercoastal carriers and southern lumber interests, approved a uniform reduction of seven cents per hundred pounds on rates for lumber and lumber products, including milled lumber moving from the Northwest.[6] The carriers had presented these incentive rates both to meet water competition and to encourage heavier railcar loadings for the eastward shipment of lumber products. For these new rates, therefore, they established increased minimum weights of 70,000 pounds for cars 42 feet in length and 75,000 pounds for longer cars. Loaded-to-full-visible-capacity (LFVC) rules remained in effect to help the movement of lighter loading lumber. These rates, as modified by subsequent general increases, have become the current level of rates from mountain Pacific to official territory.

Part I(B)2: The history of freight rate relationships for lumber and lumber products from the South

(a) The early rate relationships in the South

As SPC notes, the rates on southern lumber at the beginning of the century applied from large blanket areas east and west of the Mississippi River.[7] The initial production of pine lumber west of the Mississippi River was in southeastern Missouri. Subsequently, pine lumber was produced south of the Arkansas River in Arkansas and a rate of 13 cents was established to Cairo, Ill. As lumber tracts opened farther south, rates increased and changes and regroupings occurred. In 1903 the carriers both east and west of the Mississippi River increased their rates on pine lumber to the gateway by 2 cents per 100 pounds.

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[6] *Reduced Transcontinental Lumber Rates, 1961*, 318 I.C.C. 815 (1963). This reduction followed the publication of reduced incentive rates from the South.

[7] Most of the narrative in this section is derived from *Southeastern Lumber*, 42 I.C.C. 548 (1917); *North Carolina Pine Asso. v. A. C. L. R. Co.*, 85 I.C.C. 270 (1923); *Adams-Bank Lumber Co. v. Aberdeen & Rockfish R. Co.*, 157 I.C.C. 280 (1929); and *Lumber Between Southern Points*, 276 I.C.C. 703 (1950).

The 1903 rate increase by the carriers west of the river established a blanket rate from all territory west of the Mississippi River between the Arkansas River and the Gulf of Mexico, an area about 400 miles long and 300 miles wide. Rates from the territory east of the Mississippi River were also blanketed and equaled those from the west. In 1905 the Commission condemned the 1903 increases from the east side of the river and required the restoration of lower rates from that area. However, it upheld the 1903 increases on rates west of the river, thus allowing a significant disparity between the rates from these two lumber producing areas. Despite strong criticism, the Commission preserved this differential for some time, based on its finding that "transportation conditions west of the Mississippi River were sufficiently different from those east of the river to warrant higher rates from the southwest than from the southeast." Rate equality from the two areas was later restored.

The Ohio River adjustment.—Shipments from the Southeast moved through the Ohio River crossings as well as by the Virginia gateways. In addition, all of the lumber from the Southwest as well as most of the traffic from the western portion of southern territory[8] moved through these crossings. Hence, competition among the lines serving the large areas east and west of the Mississippi was most intense at the confluence of the Mississippi and Ohio Rivers. Cairo and Thebes, Ill., the most direct and logical centers serving traffic from both sides of the rivers, became the main gateways to official territory. The position of these two cities was so predominant that the rate to Cairo basically controlled the measure of the through rate from the producing sections east and west of the Mississippi, although part of the traffic from west of that river moved through St. Louis and some of the shipments from east of the river, especially from southeastern territory, moved through the upper Ohio River crossing, including Louisville and Cincinnati. There were instances in which lines operating from the Southeast and routing their traffic through the upper Ohio River instead of through Cairo, were required to make the through rate the same as through Cairo and to give the lines north of the river their published rates.

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[8] Defined as Mississippi and that portion of Alabama lying on and west of the Louisville and Nashville in *North Carolina Pine Asso.* v. *A. C. L. R. R. Co., supra*, at 299.

Individual rates were made by combining the applicable rate to the principal gateways on the Ohio and Mississippi Rivers with rates to the major destinations beyond. The main exception to this method of setting rates was the use of so-called basing rates, essentially from Memphis and groups south, to the Cairo gateway. These were not rates in the strict sense but only figures which the carriers used in the construction of through rates and which eventually met with Commission approval.

The early rates on lumber from the South to official territory were very low, distance considered, and reflected both strong water competition and an effort by the railroads to allow a struggling industry to establish itself. Though these rates were later raised periodically as the lumber industry grew, special rates were maintained to meet water competition. The extensive fourth-section departures which resulted from this situation were treated by the Commission in 1924, as discussed below.

(b) The 1924 adjustment

(i) *From the eastern portion of southern territory.*—Before 1924 two bases of rates were maintained from the eastern portion of southern territory to the principal destinations in official territory. One, the "water-competitive" basis, applied to the coastal destinations along the Atlantic seaboard from Maryland to Maine; the other, the "normal" basis, applied generally to all other points in official territory. The normal rates were higher than the water-competitive rates, for like distances, by amounts ranging from 1.5 cents to about 7 cents. The purpose of the lower water-competitive rates was to divert to the carriers a fair portion of the movement from the mills in the eastern portion of southern territory to destinations near the north Atlantic seaboard.

The situation contained several anomalies. Water-competitive rates applied via Norfolk on the Atlantic coast, but not via Richmond further inland. Thus, the higher basis of rates was effective through Norfolk and Richmond to the interior or noncoastal points in official territory where normal rates applied. To water-competitive destinations, however, the applicable rates were lower through Norfolk than through Richmond, although there was little difference in distance from either gateway to any water-competitive destination. Furthermore, shipments of similar distances over different lines to the same eastern city often took different rates, because not all carriers maintained competitive rates to each coastal point. This situation existed at Newark, Philadelphia, and other points where operating conditions were not sufficiently dissimilar to justify the wide difference in rates charged by various carriers for basically the same haul. Furthermore, the application of normal rates at intermediate points and lower water-competitive rates at more distant points resulted in numerous fourth-section departures.

To remedy this situation the Commission in 1924 prescribed the following uniform basis of rates for lumber from points in the eastern portion of southern territory to destinations in official territory.

TABLE 30

To—	From Norfolk, Va.		From Goldsboro, N.C.		From Sumter, S.C.		From Albany, Ga.		From Live Oak, Fla.	
	Distance	Rates	Distance	Rates	Distance	Rates	Distance	Rates	Distance	Rates
	Miles	*Cents*	*Miles*	*Cents*	*Miles*	*Cents*	*Miles*	*Cents*	*Miles*	*Cents*
Philadelphia, Pa.:										
Present[1]	256	[2]18.2	410	[2]28.5	588	[2]36	944	[2]40	972	[2]41.5
Reasonable		20		29		36		40		41
New York, N.Y.:										
Present[1]	347	25.9	502	[2]34.5	680	[2]41.5	1,035	[2]45.5	1,064	[2]46.5
Reasonable		26		35		42		46		47
Williamsport, Pa.:										
Present[1]	361	29.4	492	38.5	670	45.5	1,024	50.5	1,054	50.5
Reasonable		26		35		42		46		47
Pittsburgh, Pa.:										
Present[1]	503	32.2	577	36	755	42.5	999	49.5	1,130	48
Reasonable		29		36		43		47		48
Buffalo, N.Y.:										
Present[1]	580	31.5	711	40	889	46.5	1,132	49.5	1,272	52
Reasonable		30		39		46		50		51
Syracuse, N.Y.:										
Present[1]	562	29.5	703	38.5	881	45.5	1,239	50.5	1,265	50.5
Reasonable		30		39		46		50		51
Albany, N.Y.:										
Present[1]	492	29.5	647	38.5	825	45.5	1,180	50.5	1,209	50.5
Reasonable		28		37		44		48		49

See footnotes at end of table.

TABLE 30—Continued

To—	From Norfolk, Va.		From Goldsboro, N.C.		From Sumter, S.C.		From Albany, Ga.		From Live Oak, Fla.	
	Distance	Rates	Distance	Rates	Distance	Rates	Distance	Rates	Distance	Rates
	Miles	*Cents*	*Miles*	*Cents*	*Miles*	*Cents*	*Miles*	*Cents*	*Miles*	*Cents*
Hartford, Conn.:										
Present[1]	459	[2]29.5	614	[2]38.5	792	[2]45.5	1,148	[2]49.5	1,176	[2]50.5
Reasonable		28		37		44		48		49
Boston, Mass.:										
Present[1]	579	[2]29.5	734	[2]38.5	912	[2]45.5	1,270	[2]49.5	1,206	[2]50.5
Reasonable		30		39		46		50		51

[1] In effect June 30, 1922.
[2] Water-competitive rates.
Source: 85 I.C.C. 279.

The Commission required the carriers to revise their rates to other destinations in official territory in accordance with the uniform basis of reasonableness it had established, and decided that the rates from Richmond were unreasonable to the extent that they exceeded the maximum reasonable rates from Norfolk to the same destinations.

(ii) *From the western portion of southern territory.*—The rates from western Alabama and Mississippi were also revised in the 1924 adjustment. The great volume of traffic from this area moved through the Ohio River crossings, although these routes were, in some cases, longer than the routes via the eastern gateways.

The carriers from this part of southern territory had also established higher rates to interior than to coastal groups to meet strong water competition from gulf ports. This caused a significant number of fourth-section departures. When the carriers tried to maintain these departures, the Commission decided that:

> for the purpose of reducing to a minimum the numerous fourth-section departures now existing by reason of destination grouping, the rates on lumber and forest products, in carloads, from points in the South to trunk-line territory should be revised in harmony with the following bases of maximum rates on lumber and forest products taking the same rates from Vicksburg to the representative destinations named.

To	Present rate	Maximum rate	To	Present rate	Maximum rate
	Cents			*Cents*	
Pittsburgh, Pa	50.5	49	New York, N.Y	52	52
Grafton, W. Va	53.5	49	Philadelphia, Pa	49.5	51
Johnstown, Pa	54.5	50	Baltimore, Md	48	50
Williamsport, Pa	48	50	Cumberland, Md	48	50
Syracuse, N.Y	52	52			

> Authority will be granted circuitous routes from the South to trunk-line territory to meet the rates of the short lines or routes and maintain higher rates at intermediate points, provided that all such rates are revised in accord with the maximum bases hereinbefore prescribed from Vicksburg, and subject to the restrictions later appearing. [85 I.C.C. 300-301.]

The adjusted rates from western Alabama and Mississippi to the East reflected both increases and increases and were published from and to more definite groupings than had previously prevailed. Under the 1924 adjustment, however, the charges prescribed from the western portion of southern territory, based on the rates from Vicksburg, Miss., were higher than those from the eastern portion of southern territory, based on the rates from Albany, Ga. Consequently there was a sharp divide in the rates between western and eastern Alabama which resulted in a substantially higher level of charges from western Alabama and Mississippi than from the remainder of southern territory.

In 1929, responding to shipper complaints, the Commission noted that this disparity resulted from the existence of two different rate bases in southern territory. The rates from eastern Alabama were a part of and substantially related to rates from the Southeast and the Carolinas, while rates from western Alabama and Mississippi were a part of the Mississippi Valley rate level. The Commission reasoned that the water-competitive basis of rates which had applied originally from Georgia and the Carolinas had influenced the general level of rates from eastern Alabama. The rates from western Alabama, on the other hand, were influenced by the adjustment from the Mississippi Valley with its routes to the East through the Ohio River gateways.

The Commission decided that the influences which had led to the differences in rates between the eastern and western portions of southern territory justified the maintenance of the rates from Vicksburg, Miss., and from Albany, Ga., as reasonable maximum rates. It did, however, narrow the differentials from the origin groups between the Albany group on the east and the Vicksburg group on the west to accomplish a more harmonious grading of the rates from southern to official territories.

Part I(B)3: Rates within the South

SPC points out that prior to the 1920's there were few through commodity rates on lumber within the South. Origin groupings were ill-defined for hauls between points in southern territory. Therefore, the Commission in the ***Adams-Bank Lumber*** case, allowed a general revision in the rates on lumber and forest products from, to, and between points within southern territory and from this territory to the principal cities in Virginia. The new rates were made upon a mileage basis conforming to the early Carolina mileage scale, which was extended by the carriers for distances beyond 460 miles in order to form a basis for the rates from the entire Mississippi Valley and southeastern areas to the principal destinations in Virginia. Rates ranged from 5 cents for up to 5 miles to 38 cents for up to 946 miles, which was the average distance from Vicksburg to major Virginia destinations. The principal origins in Georgia, eastern and western Alabama, and Mississippi were grouped in a manner similar to the groupings used on shipments to official territory and previously approved by the Commission. These origin groups were:

> *** Group A, in western Tennessee, including Memphis; Group B, in the Mississippi Valley north of the Columbus & Greenville; Group C in the Mississippi Valley south of the Columbus & Greenville; Group D, in Alabama west of the Louisville & Nashville; Groups E, F, and G, in the northern, central, and southern parts of eastern Alabama; and an eastern Georgia and a western Georgia group. ***[9]

Rates were lowest to destination group 1 in lower South Carolina and were graded gradually upward to groups 2 through 8 which extended throughout the Carolinas north into the Virginia cities adjustment. Groups B and C took the same rate, as did groups E, F, and G. This relationship is shown by the following table of rates to the principal destinations in Virginia:

TABLE 31

	Cents
Memphis Group A	36
Upper Mississippi Valley Group B	38
Lower Mississippi Valley Group C	38
Upper western Alabama Group D	35
Lower western Alabama Group D	35
Eastern Alabama Group E	33
Eastern Alabama Group F	33
Eastern Alabama Group G	33
Western Georgia group	31
Eastern Georgia group	29

Source: 157 I.C.C. 297.

Some of the larger blanket areas, especially in Georgia and Alabama, were divided up into smaller groups. Rates from those origins increased by set amounts on shipments to the Virginia cities, which were also grouped. The Mississippi Valley was rated 3 cents over western Alabama. The disparity between the remaining groups was 2 cents, western Alabama over eastern Alabama, eastern Alabama over western Georgia, and western Georgia over eastern Georgia. These differentials prevented too great a disparity between competitive locations and were similar to the grading given these groups on shipments to official territory. Fourth-section departures were granted to maintain longstanding relationships. Following its approval, the *Adams-Bank* scale was recognized by the Commission as the standard of reasonableness by which to judge the rates on lumber and lumber products within the South.

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[9] *Adams-Bank Lumber* case, *supra*, p. 297.

The end result of this revision was to increase the rates to the principal destinations in Virginia. Through rates were inaugurated from Georgia to the Carolinas and between the Carolinas, a reflection of increased consumption of lumber within the South. By this time the principal cities of Virginia, such as Norfolk and Richmond, had become large consumers of lumber rather than mere basing points for shipments to destinations beyond.

This adjustment was far from comprehensive. Many of the remaining rates needed revision. For example, the only through specific commodity rates between points in the Mississippi Valley and the Southeast and between points in a part of the Southeast were through specific commodity rates to the principal consuming points. Those rates reflected low intrastate rates, according to the State in which the consuming point was located, and bore little relationship to the rates in the competing territory or to fourth-section principles.

The 1940 compromise.—Extensive negotiations between carriers and shippers led to a compromise which, with some changes, remained the basis for rates on lumber within the South for many years. Schedules conforming to this understanding became effective in June of 1940 and resulted in a revision of the southern lumber rate structure. Rates in many instances were based on distance, according to the Southern Compromise Lumber Scale. These rates were constructed on a group basis, the scale rates from and to key base points within the groups applying to all points within the groups. However, in order to maintain broad competitive opportunities among the southern lumber shippers and to meet competition from other modes, there were departures from distance scales to preserve preexisting groups. Furthermore, the new rates did not apply from the Mississippi Valley and southeastern territories to the Ohio River crossings. The rates to the river crossings were observed as maximum to points in areas south of the Ohio River, with the effect that the Louisville rate was blanketed as far back as Paris, Tenn. Shippers insisted that the rates to the river crossings not be changed in order to preserve previously existing competitive rates from the lumber mills in the southern pine belt to the crossings, where the shippers had large investments in mills and concentration yards. Hence, while the Southern Compromise Scale had widespread application between interior points in southern territory, it had almost no effect from Mississippi Valley origins to the Ohio River crossings.

Part I(B)4: Recent developments

(a) *Within southern territory.*—By 1956, as the southern territory railroads (southern railroads) note, the carriers were aware that substantial volumes of lumber tonnage from mills in Georgia and South Carolina to destinations in Florida had been diverted to motor carriers. This diversion was attributed to two factors: (1) successive ex parte increases had raised the rail rates to the point that they exceeded over-the-road truck costs, and (2) significant labor savings due to the use of forklifts to unload trucks.

In an effort to reverse the diversion of lumber traffic to motor carriers, rail carriers filed a proposal suggesting a dual level of rates, subject to minima of 45,000 and 60,000 pounds, from Cordele, Ga., Andrews and Fairfax, S.C., and also from intermediate origins, to Miami, Orlando, Sarasota, St. Petersburg, and Tampa, Fla.

The proposed 60,000-pound rates were arbitrarily constructed but reflected an average reduction of about 20 percent under the existing 34,000-pound lumber rates. The proposed 45,000-pound rates were made uniformly 4 cents per 100 pounds higher than the 60,000-pound rates. These rates were approved and published effective December 13, 1956.

Following the December 1956 rate adjustment, shippers filed a proposal suggesting an additional scale of rates on lumber and related articles between points in southern territory which reflected a 25-percent reduction in the 34,000-pound rates, subject to a minimum weight of 70,000 pounds. The rationale for this revision was that competition from trucks was not confined to isolated movements but was widespread throughout southern territory.

At the same time, carriers' studies of their lumber traffic showed that from 1946 to 1956 carloadings of lumber originating in southern territory had decreased by 61 percent, and by 71 percent in the first 6 months of 1957. The carriers felt a general revision of the rates throughout southern territory was necessary to reverse this trend.

Instead of the reduction suggested by the shippers, the carriers approved rates on lumber and related articles based on 80 percent of the existing 34,000-pound rates, subject to a minimum weight of 60,000 pounds when in closed cars 40' 9" or less in length (inside measurement), or when in or on open-top cars 41' 6" or less in length and 70,000 pounds in longer cars. The reduced rates, referred to as the 80-percent rates, became effective May 1, 1958. The minimum weight applicable to the 80-percent rates was subsequently reduced to 50,000 pounds in standard cars and 60,000 pounds in longer cars effective April 10, 1959.

A comparison of the southern compromise scale and 80-percent lumber rates from 100 to 1,100 miles is provided below:

TABLE 32

(Rates in cents per 100 pounds, including Ex Parte No. 223)

Miles	Southern compromise scale (34,000 pounds)	Effective May 1, 1958 (50,000 or 60,000 pounds)
100	19 1/2	15 1/2
200	30 1/2	23 1/2
300	42 1/2	33 1/2
400	52 1/2	41 1/2
500	61 1/2	48 1/2
600	65 1/2	51 1/2
700	72	56 1/2
800	78	60 1/2
900	85	67
1,000	88	69
1,100	94	74

Shortly after the 80-percent rates were established, it became apparent the revision had not been successful in returning tonnage to rail. During the period 1956 through 1960, rail originations in southern region declined from 3,581,976 to 1,676,166 net tons or a decrease of 53.2 percent. At the same time, truck originations increased 170.3 percent.

The diversion of lumber traffic to truck also occurred in other territories, leading the carriers to study ways to overhaul the lumber rates system within and between their respective territories.

By this time, Southern Railway (Southern), had already initiated a study of the lumber industry, including shipping practices. The study showed that the preponderance of the rail lumber traffic moved in boxcars and was mostly loaded by hand. Some lumber was shipped on standard flatcars which required considerable strapping and dunnage to keep the load from shifting. Both loading methods were considerably more expensive than loading trucks.

Southern concluded that the key to recapturing lumber traffic was to reduce the shipper's loading and unloading costs. On an experimental basis, four surplus wood-rack cars were converted to handle lumber. Test loadings of the bulkheaded, chain-equipped flatcars demonstrated that the loading and unloading of bundled lumber with forklift trucks cut handling expenses to a minimum. The car's chain-tiedown feature eliminated the necessity for costly bracing, banding, or staking, resulting in additional savings for the shipper.

Southern's study also showed that a significant volume of lumber tonnage used by the furniture industry could be handled by rail if a new level of rates could be established in conjunction with the specially designed lumber cars. Therefore, Southern filed a proposal suggesting point-to-point incentive commodity rates on lumber, rough or dressed, from 13 major producing origins to Hickory and Marion, N.C., important furniture manufacturing points.

The proposed incentive rates, which were designed to encourage heavier loading and increased equipment utilization, were subject to the following minima:

Column A—Minimum weight 40,000 pounds. (On shipment weighing in excess of 40,000 pounds, rate is also applicable on first 40,000 pounds in or on one car in connection with columns B, C and D.)

Column B—Rate applicable on weight in excess of 40,000 pounds, but not in excess of 60,000 pounds loaded in or on same car.

Column C—Rate applicable on weight in excess of 60,000 pounds, but not in excess of 90,000 pounds loaded in or on same car.

Column D—rate applicable on weight in excess of 90,000 pounds loaded in or on same car.

Unlike the normal lumber rates the proposed rates were restricted to 24 hours loading at origin and 24 hours unloading at destination. The rates were not applicable in connection with transit.

The proposal was considered by the Southern Freight Association (SFA) Executive Committee and disapproved, whereupon Southern announced the rates. They were published effective February 17, 1962. Subsequently, incentive point-to-point rates were established from approximately 100 origins in southern territory to every major furniture manufacturing point in North Carolina. The SFA Executive Committee in March 1962, authorized the filing of a proposed mileage scale of incentive rates on lumber, rough or dressed, applicable within southern territory, reflecting the Southern's basis in establishing rates to North Carolina points. The proposed rate scales also were subject to restricted demurrage provisions at origin and destination and were not applicable in connection with transit.

The incentive lumber rates were based on the following formulas:

Pounds	
40,000 (base)	Arbitrarily constructed
40,000-60,000	70 percent of 40,000-pound rate
60,000-90,000	70 percent of average rate at 60,000 pounds
Over 90,000 pounds	70 percent of average rate at 90,000 pounds

The rates became effective October 26, 1962.

The incentive lumber rates, later to be referred to as the "comeback rates," are shown below:

TABLE 33

Incentive lumber rates

(Rates in cents per 100 pounds, including Ex Parte No. 223)

Miles	40,000 pounds	40,000-60,000 pounds	60,000-90,000 pounds	Over 90,000 pounds
100	15	10 1/2	9 1/2	8 1/2
200	21	15	13 1/2	11 1/2
300	27	19	17	15
400	36 1/2	25 1/2	33	20 1/2
500	46	32	29	26
600	50	35	31 1/2	28
700	54	37 1/2	34	30 1/2
800	58	40 1/2	36 1/2	32 1/2
900	62	43 1/2	38 1/2	35
1,000	66	46	41	37
1,100	70	49	43 1/2	39

Although there was general approval of the incentive lumber rates, several shippers argued that the rates under 200 miles reflected a greater percentage reduction under the Southern Compromise Scale than the rates for longer distances. These shippers felt that the incentive rates at the higher mileages should be revised to reflect the same percentage relationship to the Southern Compromise Scale as at 200 miles to help the long-haul shipper in competition with motor carriers. They filed a proposal suggesting mileage scales of rates identical to the existing incentive lumber rates at all minima up to 330 miles with generally lower rates beyond to supersede the existing incentive rates. The Fourth-Section Board granted relief to the proposed rates subject to minimum weights of 60,000-90,000 pounds and over 90,000 pounds but had denied relief to the rates at the lower minima. To obtain the necessary fourth-section relief, the carriers decided to retain the existing rates at 40,000 pounds and at 40,000-60,000 pounds, and to establish a new line of rates subject to a minimum weight of 60,000 pounds. The new 60,000-pound rates reflected the average rates determined by using the proposed rates at 40,000 pounds and at 40,000-60,000 pounds.

Thus, the revised incentive rates reflected the existing 40,000- and 40,000-60,000-pound rates, the new 60,000-pound rates, and the new approved rates at 60,000-90,000 pounds and over 90,000 pounds. These revised incentive rates became effective February 15, 1963, subject to an expiration date of July 31, 1963.

In November 1963, the SFA Executive Committee approved publication of an additional scale of rates subject to a minimum weight of 90,000 pounds, reflecting the average charge for a 90,000-pound shipment using the incentive rates, effective January 8, 1964.

The expiration date attached to the revised incentive rates was extended on several occasions until the rates were made permanent, effective June 4, 1965.

The revised incentive lumber rates for representative distances are provided below:

TABLE 34

(Rates in cents per 100 pounds, including Ex Parte No. 223)

Miles	40,000 pounds	Excess 40,000 pounds	60,000 pounds	Excess 60,000 pounds	90,000 pounds	Excess 90,000 pounds
100	15	10 1/2	13.5	9 1/2	12.2	8 1/2
200	21	15	19	13 1/2	17.2	11 1/2
300	27	19	24.3	17	21.9	15
400	36 1/2	25 1/2	32.5	23	29.3	20
500	46	32	38.2	27	34.5	23
600	50	35	40.7	29	36.8	24 1/2
700	54	37 1/2	44.8	32	40.5	27
800	58	40 1/2	48.5	34 1/2	43.8	29 1/2
900	62	43 1/2	53	37 1/2	47.8	32
1,000	66	46	54.8	39	49.5	33
1,100	70	49	58.3	41 1/2	52.7	35 1/2

At the same time, shippers filed proposals seeking to extend the incentive rate scales, applicable only on rough or dressed lumber, to barrel or hogshead material and also flooring or flooring blocks.

They argued that these commodities historically had been subject to the lumber rates, were susceptible to the same truck competition as lumber, and carried carloading weights comparable to those on lumber. SFA approved the addition of barrel or hogshead material and flooring or flooring blocks to the lumber description effective April 11, 1963. The carriers later enlarged the commodity description applicable with the incentive rates to include all of the other articles which take the normal rates, effective June 29, 1963.

The next change in rates reflected carrier concern with the profitability of expanded car fleets using new equipment such as bulkheaded, chain tiedown flatcars. The carriers proposed an amendment of the incentive lumber rates which, after amendment in answer to shipper objections, read as follows:

> 1. Change the application of the present rates subject to minimum weights of 40,000 pounds and excess so as not to apply on shipments loaded on flat cars exceeding 51 feet in length nor on bulkhead or chain tie-down flat cars of any length.
> 2. Change the application of the present rates subject to minimum weights of 60,000 pounds and excess by restricting such rates so as not to apply on shipments loaded on flat cars including bulkhead or chain tie-down flat cars exceeding 51 feet in length.
> 3. Change the application of present rates subject to minimum weights of 90,000 pounds and excess to provide for the following minimum weights on shipments loaded on bulkhead or chain tie-down flat cars:

	Minimum weight
	Pounds
Cars 51 feet or less in length	100,000
Cars exceeding 51 feet in length	115,000

The schedules containing the amended rate were suspended, but were found just and reasonable in Investigation and Suspension Docket No. 8738, *Lumber Between Points Within Southern Territory,* decided January 19, 1973:

> In the circumstances, we conclude that the publication of the minimum weights commensurate with the capacity of the specialized equipment is not likely to cause any unreasonable hardship to the lumber industry in view of the options available to shippers for their small orders or light density products.

Later carrier efforts to improve equipment utilization and revenues resulted in eliminating certain light-loading articles and commodities which had no movements from the incentive rate commodity description list. Among the commodities removed were such items as basket bottoms, chair stock, egg case material, silo stock, and tent pins.

The carriers then concluded that incentive rates had not encouraged heavier loadings of light-loading commodities and that the 40,000-pound incentive rates were only marginally compensatory. They proposed to cancel the 40,000-pound-and-excess rates and to increase the 60,000-pound-and-excess rates by 5 percent. The proposed changes were protested, but permitted to become effective April 11, 1975.

Figure 6 shows the Southern Compromise Scale, the 80-percent scale, and the Southern Incentive Scales at the Ex Parte No. 223 level.

To observe changes in the scale rates resulting from application of the various ex parte increases after Ex Parte No. 223, figure 7 shows the scale rates increased through Ex Parte No. 305-A.

(b) *South to CFA-IFA territory.*—The rates on lumber and related articles from southern to official (including IFA) territory, except for ex parte increases, generally remained unchanged from 1940 until 1959. However, motor carriers had been handling increasing volume of lumber tonnage from Kentucky and Tennessee to central and Illinois territory as well as from Virginia, North Carolina, and portions of South Carolina to the East.

The southern railroads point out that after the approval of the 80-percent basis of rates within the South, the southern carriers adapted a proposal suggesting rates on lumber and related articles, minimum weight 60,000 pounds, from SFA to official (including IFA) territory, subject to the concurrence of the destination carriers. The proposal, an effort to recapture lost lumber tonnage, provided for graduated percentage reductions after the existing 36,000-pound rates, beginning with a 30-percent reduction for rates up to and including 55 cents per 100 pounds and ending with a 2-percent reduction for rates from $1.21 to $1.25 per 100 pounds.

Figure 6

Lumber rate scales in southern territory at Ex Parte No. 223 level

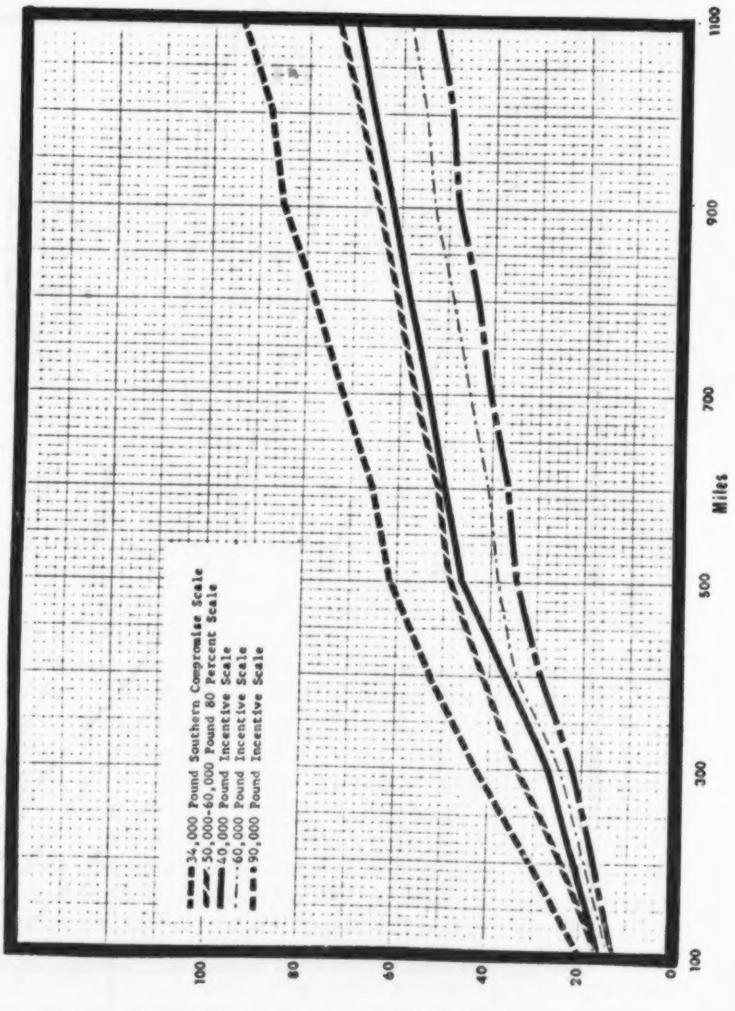
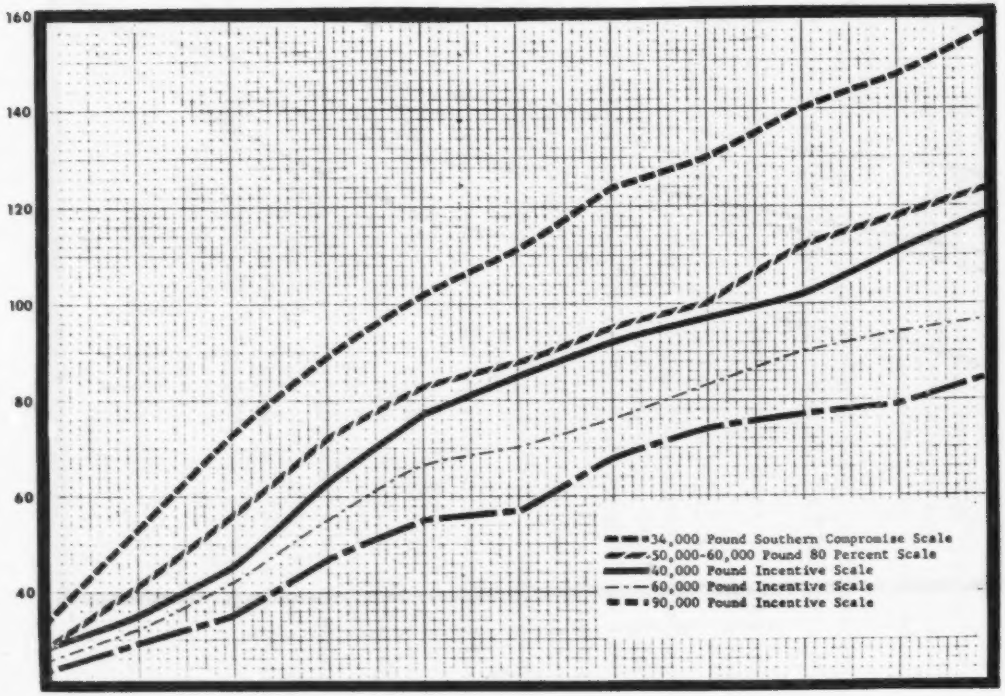


Figure 7

Lumber rate scales in southern territory at Ex Parte No 305-A level



The official territory carriers refused to approve the basis of rates adopted by the southern carriers and instead approved the following percentage reductions in the 36,000-pound rates, subject to a minimum weight of 60,000 pounds:

TABLE 35

(Subject to Ex Parte No. 212 increase)	Approved percentage reduction
Up to and including 55 cents	30
56 cents to and including 60 cents	28
61 cents to and including 65 cents	26
66 cents to and including 70 cents	24
71 cents to and including 75 cents	22
76 cents to and including 80 cents	19
81 cents to and including 85 cents	16
86 cents to and including 90 cents	13
91 cents to and including 95 cents	10
96 cents to and including 99 cents	----------
$1 and over	No change

The basis of rates approved by the eastern carriers reflected the same percentage reductions as approved by those lines for application within official territory. The rates approved by the eastern lines were later adopted by the southern carriers. Following the granting of the necessary fourth-section relief, the 60,000-pound rates became effective June 1, 1959.

In late 1962, the southern carriers filed a proposal suggesting the establishment of southern incentive lumber rates from the South to official (including IFA) territory. The proposal was designed to encourage heavier loadings and improve utilization of equipment. The eastern lines refused to endorse the proposal. They instead approved incentive rates between the South and official (including IFA) territory, subject to a minimum weight of 60,000 pounds and discount rates for weight in excess of 60,000 pounds. The rates were to apply on a limited number of related lumber products; however, the rates on plywood were made 10 percent higher than the lumber rates, subject to a minimum weight of 60,000 pounds only. The rates were also subject to 24-hour loading and unloading provisions and restricted against privileges. The rates were to alternate with the existing 36,000- and 60,000-pound rates.

Effective July 10, 1964, the approved incentive rates for representative distances were as follows:

TABLE 36

(Rates in cents per 100 pounds, including Ex Parte No. 223)

Miles	60,000 pounds	Excess 60,000 pounds
100	20	9 1/2
200	26	13 1/2
300	31 1/2	17
400	37	23
500	46	27
600	50	29 1/2
700	54 1/2	33 1/2
800	60	37 1/2
900	65 1/2	41
1,000	71	43 1/2
1,100	77	47

(c) *South to southwestern territory.*—The rates on lumber and related articles from the South to southwestern territory remained at the level authorized in fourth-section application No. 20490, *Lumber Between the South and Southwest*, from 1945 to 1960, with ex parte increases.

In 1959, the southern and southwestern carriers approved rates reflecting 80 percent of the existing lumber rates at the Ex Parte No. 212 level but subject to minimum weights of 50,000 or 60,000 pounds, depending on the size of the car. Having secured the necessary fourth-section relief, the rates became effective February 27, 1960.

Shortly thereafter, the carriers recognized that the low level of rates that had recently been established within southwestern territory, when combined with the subsequently established southern incentive lumber rates applicable within southern territory, would result in combination rates from the South to southwestern territory lower than the through rates established in February 1960.

To eliminate the use of combination rates and to provide an attractive level of rates to permit both the southern and southwestern producers to compete in each other's territory, the carriers approved a mileage scale of rates subject to a minimum weight of 50,000 pounds and discount rates for weight in excess of 50,000 pounds.

The rates became effective May 7, 1966. The rates from 100 to 1,100 miles are shown in table 37:

TABLE 37

(Rates in cents per 100 pounds, including Ex Parte No. 223)

Miles	50,000 pounds	Excess 50,000 pounds
100	19	10 1/2
200	24	15
300	30	19 1/2
400	37	23 1/2
500	47	25 1/2
600	52	28
700	58	31 1/2
800	63	35
900	68	38
1,000	73	41
1,100	78	43

Part I(C): Revenue yields and cost of service of representative or repetitive movements

1. Introduction

The order of March 14, 1975, requested that the parties provide data concerning representative and/or repetitive rates on lumber and lumber products at the Ex Parte No. 305 level. This section of the report presents an analysis of this cost evidence. It also includes general comments on the Commission's Rail Revenue Contribution Study by Commodity and Territory (Burden Study) for the years 1966, 1969, and 1972, plus computations of the variable and fully allocated costs for the so-called representative movements of lumber and lumber products (as requested under part I above) and furnished by the various parties to this proceeding. These cost computations conform generally with the cost methods previously employed in Ex Parte No. 270 (Sub-Nos. 4, 5, and 6) for single-car movements. The cost estimates are based on regional average costs adjusted to reflect certain transportation characteristics indicated in the exhibits of record, including the actual route of movement miles, actual or average lading weights, and car ownership, whether privately owned or railroad owned. Where the car was other than carrier owned, the ownership costs were removed from variable and fully allocated costs. Costs for each movement were based on the specific type of car used.

In addition, for single-car movements, where the actual routing of the movement was shown, line-haul costs were adjusted by removing the interchange costs included in the territorial average costs on a loaded car-mile basis and substituting therefor the interchange cost per car interchanged using the number of interchanges from the routings shown in the exhibits of record. This was done for both variable and constant costs. No adjustments were made to the terminal costs.

Part I(C)2: Summary of salient findings and conclusions

Based on the analysis of (a) the various statements submitted in this proceeding and (b) computation of the cost of service for the representative or repetitive movements submitted by the parties to the proceeding, the Coordinator finds the following:

1. SPS' cost computations are of questionable value for the following reasons:

(a) Only one of SPS' four advocated cost considerations has merit for use in this proceeding; namely, the "mileage" calculations. One other consideration, the use of per diem payments in determining freight car costs, is proper but SPS was unable to give effect to this procedure. SPS' calculations regarding the number of interchanges and "weighing" were found to be deficient and improper.

(b) SPS' procedure for reconciling the difference in total expenses between the Commission's study of Rail Revenue Contribution by Commodity and Territory (the Burden Study) and the annual report—assumed to be necessary because of the differences in the ton-miles and car-miles—is reasonable. The basic question of the validity of the 1-percent waybill traffic service units (used in the Burden Study) and the reliability of annual report statistics should be reexamined.

(c) More specific and reliable cost and traffic studies would be required to affirm SPS' finding of noncompensativeness for specific individual commodity movements. To reach that finding, SPS compared the revenues for a specific individual movement to the so-called average costs, presumed to represent all movements within a given territorial commodity flow.

(d) SPS' revenue and cost data is for the years 1966 and 1972. No attempt was made by SPS to update the revenues and costs to a more current level.

(e) Because of the above-noted deficiencies, the results of SPS' cost study, as depicted in its territorial commodity flow charts, are of limited value.

2. The revenue-cost comparisons submitted by the western railroads in verified statement No. 5 cannot be verified. Although their precise method of cost computation was not shown, a comparison between their costs based on the rate of return in Rail Form A (approximately 5 percent) and the costs computed by the Commission for the same movements reveal only slight differences. The revenue-cost comparisons shown by the western railroads and our comparisons generally indicate that the revenues exceed the variable costs of transportation. However, it is extremely difficult to make a valid comparison between our costs and those submitted by the western railroads due to a lack of precise information with respect to shipment weights.

The western railroads contend that certain lumber-related products, specifically sawlogs (STCC 24 111), are being handled at a deficit by these railroads. (This contention is supported by the Commission's 1972 Burden Study.) From our cost calculations we are unable to either confirm or reject this contention because none of the entire 13 movements costed for the broad commodity group, primary forest products STCC 24 100, which includes sawlogs, included a movement by a western railroad.

3. The eastern railroads submitted two opening statements (verified statements Nos. 9 and 10) which contained a number of revenue-cost comparisons. The 15 revenue-cost comparisons shown in verified statement No. 10 cannot be verified since the precise method of cost computation was not shown. The lack of traffic information makes it impossible to develop costs for these movements. Furthermore, the revenue-cost comparisons shown by the eastern railroads are not based on the same time level. The costs are at the May 1, 1975, level while the rates are at the Ex Parte No. 305-A level (about July 1, 1974).

A number of the movements were shown to be noncompensatory based on Penn Central's division of revenue. This leaves unanswered the question of the compensativeness of the entire movement. Moreover, it should be noted that if the actual loading weights on 3 of the 15 movements were used (these weights were indicated in another statement submitted by the eastern railroads) it would make these 3 movements compensatory at the variable cost level.

The 16 revenue-cost comparisons shown in verified statement No. 9 also cannot be verified because the end results were shown without the method of cost computation. However, a comparison between the eastern railroads' cost results and those computed by us for the same movements reveal only minor differences in costs.

These differences are due in part to the fact that the eastern railroads updated their costs to May 1, 1975, while we updated our costs based on an average 1974 level because the rates are at the Ex Parte No. 305-A level.

A number of the 16 movements were shown to be noncompensatory. However, that deficit may be due to division arrangements between railroads, since only certain portions of the entire through movements were shown.

4. The 142 revenue-cost comparisons contained in the opening statement submitted on behalf of the Southern Forest Products Association (SFPA) cannot be verified. SFPA's method of cost computation was not shown. However, a comparison between SFPA's costs and those computed by us for the same movements reveal some differences in costs. These differences may be due in part to the improper method employed by SFPA in updating its 1972 Rail Form A costs to a 1974 level. Nonetheless, the differences noted do not significantly affect the results of the revenue-cost comparisons shown by SFPA.

The results of our computations and those of SFPA indicate revenues exceeding variable costs on every movement depicted except one. Furthermore, both revenue-to-cost showings reveal revenues which exceed fully allocated costs for the majority of the movements shown. On 89 percent of the movements, revenues exceed fully allocated costs based on our computations, and on 77 percent of the movements revenues exceed fully allocated costs based on SFPA's computations.

5. The opening statement submitted on behalf of the southern railroads contained little cost evidence. The southern railroads merely introduced revenue-cost comparisons from the Commission's Burden Studies to illustrate their contention that revenue trends declined between 1966 and 1972 on four major commodity groups of lumber and lumber products. Leaving aside the validity and reliability of the Burden Study results, the southern railroads' comparison shows that the 1972 revenue-to-variable-cost ratios have generally declined from those observed in 1966 on the four commodity groups depicted. However, this downward trend appears to have abated in 1972, which indicates an increased ratio compared to that recorded for the year 1969.

6. The opening statement submitted on behalf of the SHTA contained no revenue-cost relationships or other cost evidence relating to lumber and lumber products.

7. Based on the evidence of record, we conclude that the revenues derived from the rail transportation of lumber and lumber products generally exceed their variable costs of service, with few exceptions.

Although various exceptions are taken to the cost and revenue studies introduced by several parties, and although it has not been possible to verify the cost and revenue studies submitted by a number of other parties, the results of those studies generally support the conclusions reached by the Coordinator's own computations of rate-to-variable-cost ratios, that the rates on lumber and lumber products are generally compensatory. Based on these computations, for example, revenues exceed variable costs on 359 of the 410 so-called representative movements submitted by the railroads, shippers, and other interested parties. Thus, revenues exceed variable costs on 88 percent of the movements costed. The simple average rate-to-variable-cost ratios on the entire 410 movements was 146 percent. The simple average rate-to-variable-cost ratios by origin territories was 134 percent for official territory, 145 percent for the southern territory, and 153 percent for WTL territory. Moreover, the simple average rate-to-variable-cost ratios ranged from a low of 105 percent on STCC 24 400 (Wood Containers) to a high of 155 on STCC 24 200 (Lumber and Dimension Stock).

Part I(C)3: Opening statement of SPS, rebuttal, and surrebuttal

A. *Opening statement of SPS.*—Verified statement No. 1 was submitted by SPS.

(1) *SPS' procedures in general.*—SPS' statement included a series of charts, depicting revenue, variable cost, and tonnage relationships on territorial movements of special lumber and lumber products. SPS studied the following five major commodity groups: STCC 48—Lumber, STCC 52—Plywood and Veneer, STCC 54—Wood Particle Board, STCC 49—Treated Wood Products, and STCC 50—Wood Post, Poles or Piling. The territorial movements of these five major commodity groups are shown in the following table.

The basic sources of the revenue and traffic data for the SPS study are the 1-percent waybill sample studies for the years 1966 (compiled by the Commission) and 1972 (compiled by DOT). These waybill studies, initiated by the Commission in 1946 and transferrred to DOT in 1967, contain data on traffic flow relevant to carload freight movements. The basic source of the cost data is the Commission's Rail Form A unit costs for 1966 and 1972. These unit costs were published in two separate Commission statements, statement No. 9-66, Rail Carload Cost Scales by Territories for the Year 1966, and statement No. 1C1-72, Rail Carload Cost Scales 1972.

TABLE 38

Major traffic flows by commodity groups and territorial movements for study years 1966 and 1972

(1) *SPC 48—Lumber*
  (a) Mountain Pacific to official
  (b) Mountain Pacific to mountain Pacific
  (c) Mountain Pacific to South
  (d) Mountain Pacific to WTL and Southwest
  (e) South to South
  (f) South to official
(2) *SPC 52—Plywood and Veneer*
  (a) South to South
  (b) Mountain Pacific to mountain Pacific
  (c) Mountain Pacific to official
  (d) Mountain Pacific to WTL
  (e) Mountain Pacific to South
(3) *SPC 54—Wood Particle Board*
  (a) Mountain Pacific to mountain Pacific
  (b) Mountain Pacific to official
  (c) Mountain Pacific to WTL
  (d) South to South[1]
(4) *SPC 49—Treated Wood Products*
  (a) Official to official
  (b) Southwest to Southwest
(5) *SPC 50—Wood Posts, Poles or Pilings*
  (a) South to South
  (b) South to official
  (c) Southwest to Southwest

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[1] For study year 1966 only.

Each of the territorial commodity flow charts submitted by SPS contains "bars" showing the average load in tons for various short-line mileage blocks. In addition, each chart contains two revenue lines and three cost lines. The two revenue lines, one broken line and one asterisk line, were developed as follows:

(1) The *broken line* depicts the average line-haul revenue derived from the 1966 and 1972 1-percent waybill samples and represents the average revenue accruing to the railroads on the traffic handled during the 2 respective years over short-line tariff distances. The average revenue line was developed for each commodity and territorial movement by plotting the revenues per car from the

waybill samples on a graph. These revenue points (movements) were in turn fitted to a smooth line using least-squares regression techniques.

(2) The *asterisk line* depicts the average revenue based on the actual rates determined by a tariff check over short-line distances. Essentially this is a revenue validating line which was developed based on actual tariff checks of rates falling within each commodity and territorial flow established by SPS. Rates were apparently selected at random for various mileage and weight groups. These rates were also fitted to a smooth line using least-squares techniques.

The three cost lines (all solid) represent the variable costs per cwt. at varying short-line distances. The three lines were obtained simply by drawing a line between the "total implicit costs" at 0 miles and the "total movement costs" for a given short-line mileage distance. The "total implicit costs" consist of the terminal, interchange, way train, weighing, and loss and damage costs. The "total movement costs" consist of the "total implicit costs" *plus* the through train costs per cwt.-mile. The only difference in the three solid cost lines shown in each chart is traceable to the amount of interchange costs included in the "total implicit costs." In the upper solid cost line or the so-called upper confidence limit, the "total implicit costs" includes the highest number of interchanges that might be incurred in a given territorial movement of a commodity. In the lower cost line, or the so-called lower confidence limit, the "total implicit costs" includes the lowest number of interchanges that might be incurred. The center solid line, or the mean line, reflects the costs for an average number of interchanges. In the opinion of SPS, this mean line is the most significant.

Essentially, these charts reflect the revenues and costs of an average movement, for each commodity and territorial grouping shown, as developed from the 1-percent waybill samples for each of 2 years, 1966 and 1972.

SPS indicates that the variable cost lines for each of the territorial commodity flows, shown in its exhibits 22 through 59, were computed based on a computer program developed by the Commission's Bureau of Accounts for applying Rail Form A unit costs. SPS reportedly modified the program to meet its requirements.

In addition, SPS states that there were four areas in which they attempted to quantify the service units and the related costs for each of the traffic flows: (1) number of interchanges, (2) calculation of mileage, (3) freight car costs, and (4) weighing of cars. These items are discussed below.

(2) *SPS' four cost considerations.*—(a) Number of interchanges: SPS is critical of the Rail Form A method of accounting for interchanges, which it assumes to be based only on an interchange cost per car-mile for each region. This criticism is based on an investigation by SPS of interchanges associated with lumber traffic which indicated that the number of interchanges did not statistically relate to mileage. SPS contends that interchange service unit cost, by railroad cost region, should be applied on an incidence basis instead of at a constant-mileage rate.

Therefore, SPS developed interchange costs based on a study of the average number of interchanges associated with each of the territorial commodity flows of lumber and lumber products. The costs of the average number of interchanges for each of the territorial commodity flows were included in the "total implicit costs" in each flow chart at 0 miles.

Moreover, SPS criticizes the interchange costing procedures used in the Burden Study which splits equally the mileage operated within two cost regions and applies regional interchange costs on a mileage basis to each.

(b) *Calculation of mileage.*—SPS developed the average number of miles for the subject commodities within each of the applicable cost regions by sorting the 1-percent waybill file into a State-to-State mileage matrix according to the origin and destination rate territory. From this matrix, SPS determined the proportion of mileage that occurred within each railroad cost region within each rate territory. These proportions (percents) were in turn used to compute the mileage splits between the railroad cost regions for each territorial commodity flow.

SPS argues that this procedure contrasts favorably with the Burden Study method of splitting the miles equally between the origin and destination cost regions, and apportions the line-haul costs on the basis of the equal mileage split.

(c) *Freight car costs.*—SPS determined the predominant car types used in each of the five commodity groups studied from the 1972 1-percent waybill sample. Car costs were then developed based on Rail Form A unit costs for these specific type cars.

SPS states that they originally intended to replace Rail Form A car costs with daily per diem and mileage rates, as published in the Association of American Railroads' UMLER file, because using the daily per diem and mileage rates of the cars providing the service would have given a more realistic picture of the car costs. However, time did not permit SPS to complete such a study.

(d) *Weighing of cars.*—SPS argues that Rail Form A does not produce a specific service unit cost for weighing of cars. To compensate for the weighing of lumber cars SPS has included in their cost computations the cost equivalent to one interchange for each commodity flow.

(3) *Results of SPS' revenue and cost profiles.*—SPS' exhibit 60, attached hereto as table 39, is a summary of the data contained in its commodity flow charts. This exhibit shows the number of sample carloads, the average tons handled per car, the average number of miles traveled per car, the average revenue per car (in cents), the average variable cost per car (in cents), and the resulting revenue contribution per car (in cents) for each of the five commodity groups studied.

This summary indicates that for the year 1972, the average revenue per car *exceeded* the average variable costs of transportation for each territorial commodity flow studied. The same was true for the year 1966, with one exception: the average variable costs exceeded the average per-car revenue by $16.99 on movements of post, poles, and pilings (SPC 50) from the Southwest to the Southwest. It can also be seen that the average revenue contribution per car for 1972 exceeds that shown for 1966 for every territorial commodity flow except treated wood products (SPC 49) moving from South to South.

A summary analysis of the revenue and cost profiles by commodity and territorial breakdown is shown below.

SPC 48—Lumber

A. *Mountain Pacific to official*—For both years 1966 and 1972, revenue exceeded variable costs for all mileages, except at distances in excess of 3,500 miles. Most of the tonnage involved in this flow moves between 2,200 and 3,200 miles. Virtually no traffic moves in excess of 3,300 miles.

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TABLE 39

Average mileage revenue costs and contribution relationships 1972-1966

Year	Origin	Destination	SPC commodity group	Sample carloads	Tons/ car	Miles/ car	Revenue/ car	Cost car	Contribution car	Revenue/ cwt-mile	Cost/ cwt-mile	Contribution/ cwt-mile
										Cents	*Cents*	*Cents*
1972	MP	SOU	Ply/Ven-52	100	44.2	2,950	175,916	130,409	45,507	0.0675	0.0500	0.0175
1966	do	do	do	120	42.5	3,022	128,350	93,535	34,815	.0500	.0364	.0136
1972	do	do	Lumber—48	216	38.5	2,776	152,460	115,259	37,201	.0713	.0539	.0174
1966	do	do	do	184	37.9	2,722	112,942	82,625	30,317	.0547	.0400	.0147
1972	do	OFF	Ply-Ven—52	146	43.6	2,786	174,400	134,096	40,304	.0718	.0552	.0166
1966	do	do	do	376	42.0	2,730	126,800	90,031	36,769	.0553	.0393	.0160
1972	do	do	Wood Part Bd—54	100	50.3	2,662	198,182	140,735	57,447	.0740	.0526	.0215
1966	do	do	do	50	43.7	2,699	131,100	94,100	37,000	.0556	.0399	.0157
1972	do	do	Lumber—48	665	39.3	2,585	147,768	118,904	28,864	.0727	.0585	.0142
1966	do	do	do	819	37.8	2,556	106,596	82,062	24,534	.0552	.0425	.0127
1972	do	WTL	Wood Part Bd—54	61	51.3	2,048	175,446	105,629	69,817	.0835	.0503	.0332
1966	do	do	do	39	41.5	2,070	106,240	72,183	34,057	.0618	.0420	.0198
1972	do	do	Ply-Ven—52	170	43.4	2,007	146,692	92,948	53,744	.0842	.0534	.0309
1966	do	do	do	150	43.0	2,091	110,080	71,316	38,764	.0612	.0397	.0216
1972	do	SW&WTL	Lumber—48	860	40.2	1,976	133,464	88,284	45,180	.0840	.0556	.0284
1966	do	do	do	960	37.8	1,898	92,232	64,387	27,845	.0643	.0449	.0194
1972	do	MP	Wood Part Bd—54	102	49.4	965	91,884	56,634	35,250	.0964	.0594	.0370
1966	do	do	do	41	37.2	1,020	55,056	42,390	12,666	.0725	.0559	.0167
1972	do	do	Lumber—48	659	43.4	940	80,724	50,635	30,089	.0989	.0621	.0369
1966	do	do	do	450	41.1	817	50,142	35,425	14,717	.0747	.0527	.0219
1972	do	do	Ply-Ven—52	304	43.6	788	72,376	47,650	24,726	.1053	.0693	.0360
1966	do	do	do	163	42.4	741	49,184	32,920	16,264	.0783	.0524	.0259

Average mileage revenue costs and contribution relationships 1972-1966—Continued

Year	Origin	Destination	SPC commodity group	Sample carloads	Tons/ car	Miles/ car	Revenue/ car	Cost car	Contribution car	Revenue/ cwt-mile	Cost/ cwt-mile	Contribution/ cwt-mile
										Cents	*Cents*	*Cents*
1972	SOU	OFF	Lumber—48	91	52.5	738	70,350	44,818	25,532	0.0908	0.0578	0.0329
1966	do	do	do	121	41.4	728	43,056	29,122	13,934	.0714	.0483	.0231
1972	OFF	do	Treated Wd. Prod—49	25	33.1	297	34,424	33,011	1,413	.1751	.1679	.0072
1966	do	do	do	44	36.7	270	25,690	20,211	5,479	.1296	.1020	.0276
1972	SOU	SOU	Wood Part Bd—54	52	58.1	416	39,508	32,715	6,793	.0817	.0677	.0141
1966	do	do	do		Not done							
1972	do	do	Lumber—48	182	59.3	400	39,138	26,897	12,241	.0825	.0567	.0258
1966	do	do	do	198	50.2	402	27,108	18,106	9,002	.0672	.0449	.0223
1972	do	do	Ply/Ven—52	100	47.6	437	37,128	29,340	7,788	.0892	.0705	.0187
1966	do	do	do	39	39.0	496	27,300	19,674	7,626	.0706	.0509	.0197
1972	do	do	Post/Pole—50	87	37.3	344	33,570	23,500	10,070	.1308	.0916	.0392
1966	do	do	do	180	33.0	390	24,420	16,747	7,673	.0949	.0651	.0298
1972	SW	SW	Treated Wd. Prod—49	26	36.0	321	33,120	28,418	4,702	.1433	.1230	.0203
1966	do	do	do	19	33.5	314	20,770	19,700	1,070	.0987	.0936	.0051
1972	do	do	Post/Pole—50	52	34.7	272	29,148	25,885	3,263	.1544	.1371	.0173
1966	do	do	do	85	29.6	233	15,392	17,091	(1,699)	.1116	.1239	(.0123)
1972	SOU	OFF	do	44	34.1	834	67,735	49,738	17,997	.1191	.0874	.0316
1966	do	do	do	73	34.5	840	49,893	32,994	16,899	.0861	.0569	.0292

B. *Mountain Pacific to mountain Pacific.*—For both years, variable costs exceeded revenue for short distances of up to 100 miles and revenue exceeded variable cost by increasing margins as mileage increased. However, the bulk of the traffic for this commodity flow moved in excess of 100 miles.

C. *Mountain Pacific to South.*—For both years, revenue exceeded variable costs for all distances.

D. *Mountain Pacific to WTL and SW.*—Revenue was slightly below variable cost in 1966 for distances up to 500 miles and exceeded variable cost thereafter. Revenue exceeded variable cost at all distances in 1972. However, virtually no traffic moved at distances less than 700 miles.

E. *South to South.*—Revenue exceeded variable cost at all distances for both years. The amount by which revenue exceeded variable cost increased with distance of movement.

F. *South to official.*—For both years, revenue exceeded variable costs only slightly at short distances, but this margin increased with distances.

SPC 52—Plywood and Veneer

A. *South to South.*—For 1966, revenue exceeded variable costs only slightly at the shorter distances. The amount by which revenue exceeded variable costs increased with distance. In 1972, the revenue was below variable costs for short distances up to 200 miles and exceeded variable costs by only very small amounts from distances of 200 to 500 miles. Beyond 500 miles, revenue exceeded variable cost by increasing margins. However, the great bulk of the traffic handled was in the 200-500-mile range, indicating that the majority of the traffic produced revenue which barely covered variable costs.

B. *Mountain Pacific to mountain Pacific.*—For both years, revenue was approximately equal to variable costs at the shortest distances. As the distance increased, so did the margin of revenue over variable costs. However, the bulk of the traffic moved at shorter distances where the margin of revenues over variable costs was small or nonexistent.

C. *Mountain Pacific to official.*—For both years, revenue exceeded variable costs for all distances, with the widest margins occurring at the shortest distances. However, the margins by which revenue exceeded variable costs showed a deterioration from 1966 to 1972.

D. *Mountain Pacific to WTL.*—Revenues exceeded variable costs for all distances for both years 1966 and 1972 by substantial margins.

E. *Mountain Pacific to South.*—For 1966 traffic revenues exceeded variable costs at all distances by substantial margins. For 1972, revenue fell below variable costs at very short distances, but rose above variable costs at 2,300 miles and over, distances which included most of the traffic.

SPC 54—Wood Particle Board

A. *Mountain Pacific to mountain Pacific.*—This traffic showed an improvement from 1966 to 1972. While the revenue was below variable costs for distances of 400 miles or less in 1966 and exceeded variable costs beyond that distance, the revenues exceeded variable costs at all distances in 1972, with the margin increasing as distance increased.

B. *Mountain Pacific to official.*—For both years the revenue exceeded variable cost at all distances. The amount by which revenue exceeded variable costs decreased as distance increased, due to the existence of blanket rates. Thus, while the revenue remained relatively constant, the variable costs increased with distance.

C. *Mountain Pacific to WTL.*—Revenues exceeded variable costs for both years at all distances. The margin was higher in 1972 than in 1966.

D. *South to South.*—For 1972 revenue equalled or was slightly below variable costs at short distances, 200 miles or less. As distance increased, the excess of revenue over variable cost progressively increased. No flow chart was shown for 1966.

SPC 49—Treated Wood Products

A. *Official to official.*–The revenue was equal to or slightly above variable cost for traffic traveling 400 miles or less, distances at which the bulk of the subject traffic moved. This was true for both 1966 and 1972.

B. *Southwest to Southwest.*—For 1966 and 1972, revenue did not equal or exceed variable costs below a distance of 300 miles. Roughly 50 percent of the traffic traveled 300 miles or less.

SPC 50—Wood Post, Poles or Piling

A. *South to South.*—For both years, revenue equalled variable costs at 0 miles, and as distance increased, the margin of revenue over variable costs increased.

B. *South to official.*—Revenue exceeded variable costs for both years at all distances.

C. *Southwest to Southwest.*—In 1966, revenue was below variable cost for distances up to 300 miles and above variable cost thereafter. The majority of the traffic traveled less than 300 miles, meaning that most of the traffic did not even return variable costs. In 1972, the picture improved. The break-even point was about 200 miles with the traffic traveling the greatest distances showing the greatest margins of revenues above variable costs. Still, 50 percent or more of the traffic traveled 300 miles or less, meaning that such traffic barely returned variable costs and in many cases less than variable costs.

Generally, it can be seen from the above breakdown that as distance increased, the excess of revenue over variable cost progressively increased. The revenues is true only in those areas where blanket rates appear, i.e., mountain Pacific to official territory.

4. *SPS' restatement of variable costs based on reconciliation of annual report expenses to Burden Study total expenses, and certain adjustments.*—In addition to the territorial commodity flow charts, SPS also developed variable costs based upon adjustments reached by reconciling the total railroad expenses, as shown in annual reports, to the total expenses shown in the 1972 Burden Study. The preliminary results of this work were presented in the verified statement of Harper W. Williams. These adjustments were not included in the charts submitted by SPS as exhibits 21 through 59, but were presented to show the adjustments that could be made to these charts.

In his verified statement, witness Williams contends that the total ton-miles and car-miles, as reported in the annual reports of the carriers employed in developing Rail Form A costs and as used to calculate service unit costs, are substantially more than those reported by the waybill sample. Thus, he argues that multiplying service unit costs by the smaller number of service units in the waybill sample cannot and does not account for all of the expense dollars.

To support his contention, witness Williams introduced a comparison of the total expenses and return included in the 1972 Rail Form A Cost Formula to the 1972 Burden Study total expenses and return. This comparison reveals a difference of approximately $1.8 billion, or a 14-percent error in the total expenses and return employed in the 1972 Burden Study.

Witness Williams is unable to offer a full explanation of why the waybill sample falls so far short of the annual report's service units, particularly car-miles and ton-miles. Limited checks by Mr. Williams indicated that the Federal Rail Administration's short-line miles as applied by their contractor, Price-Williams & Co., were carefully worked out.

The witness submitted a computer procedure for adjusting Rail Form A unit cost to account for the difference in expenses between Rail Form A and the Burden Study. Adjustments also were made to reflect (1) the actual per diem and mileage rental charges, (2) increased switching-minutes per car due to small number of cars per cut, (3) inclusion of interchange costs on a terminal basis, and (4) an increase in station clerical and train supplies and expenses.

Williams' exhibit 4, attached hereto as table 40, depicts the variable costs based on the above reconciliation of expenses and four cost adjustments. The variable costs as computed per the territorial commodity flow charts are compared with these adjusted costs for the same traffic. No conclusions were drawn by SPS concerning this cost showing.

TABLE 40

Variable cost comparison lumber and lumber products
1972

SPC No.	Commodity and movement	Minimum mileage	Variable cost		Maxium mileage	Variable cost	
			On SPS charts	Williams		On SPS charts	Williams
			(Cents per cwt.)			*(Cents per cwt.)*	
48	*Lumber*						
	MP to Official	1,400	98	111	3,600	197	237
	MP to MP	50	26	20	2,000	97	117
	South to South	50	13	15	1,000	39	58
	South to Official	100	20	24	1,400	66	92
	MP to South	1,800	108	129	3,600	185	231
	MP to SW and WTL	400	44	43	2,900	148	169
52	*Plywood and Veneer*						
	MP to MP	50	27	25	1,800	92	123
	South to South	50	18	20	1,000	49	65
	MP to Official	1,600	101	127	3,600	190	247
	MP to South	2,100	113	142	3,600	174	229
	MP to WTL	1,100	70	85	2,600	131	168
54	*Wood Particle Board*						
	MP to WTL	1,300	74	88	2,500	121	148
	MP to MP	200	29	29	1,900	92	112
	MP to Official	1,600	95	81	3,400	171	136
	South to South	100	17	17	1,000	48	58

Variable cost comparison lumber and lumber products—Continued
1972

SPC No.	Commodity and movement	Minimum mileage	Variable cost		Maxium mileage	Variable cost	
			On SPS charts	Williams		On SPS charts	Williams
			(Cents per cwt.)			*(Cents per cwt.)*	
49	*Treated Wood Products*						
	SW to SW	100	31	27	800	58	72
	Official to Official	50	37	29	1,000	90	99
50	*Wood Posts, Poles or Piling*						
	South to South	50	20	20	900	53	78
	SW to SW	50	29	25	1,000	65	89
	South to Official	400	51	54	1,600	112	139

B. *Rebuttal to the SPS statement.*—The only rebuttal statement which contained testimony relating to cost evidence was submitted jointly by SHTA.

SHTA questions the validity of the revenue-cost presentation submitted by SPS. They point out that SPS throughout its presentation acknowledges that the cost and revenue study is subject to a number of limitations. For example, reference is made to the restrictions involved in using the DOT 1-percent waybill study, and the limitations associated with using Rail Form A *average* service unit costs. As a result of these limitations, this party asserts that the results of the SPS study should be accepted with a great deal of caution.

C. *Coordinator's conclusions.*—1. SPS' procedures in general:

SPS costed out lumber traffic according to major traffic flows, as opposed to the more conventional method of costing out individual shipments.

SPS' costing method presents the following problems and discrepancies: (a) In developing the average revenue line, SPS plotted each revenue per car, obtained from the 1-percent waybill sample, on a graph. These data were then fitted to a smooth or curved line using least-squares regression techniques. Therefore, to obtain a comparable cost line, variable costs should have been computed in the same manner, i.e., the cost of individual movements should have been plotted and the data fitted to a smooth or curved line using least-squares regression techniques. However, SPS computed only one cost for each territorial commodity flow, based on the average traffic service units for each flow. Although three cost lines were shown, the only difference between the lines is in the number of interchanges used.

(b) SPS assails the use of Rail Form A average costs. However, the cost lines in its charts (SPS exhibits 21 through 59) are based on the average weight for that flow, the average number of interchanges, and the average short-line miles. Thus in spite of its criticism, SPS also used averages.

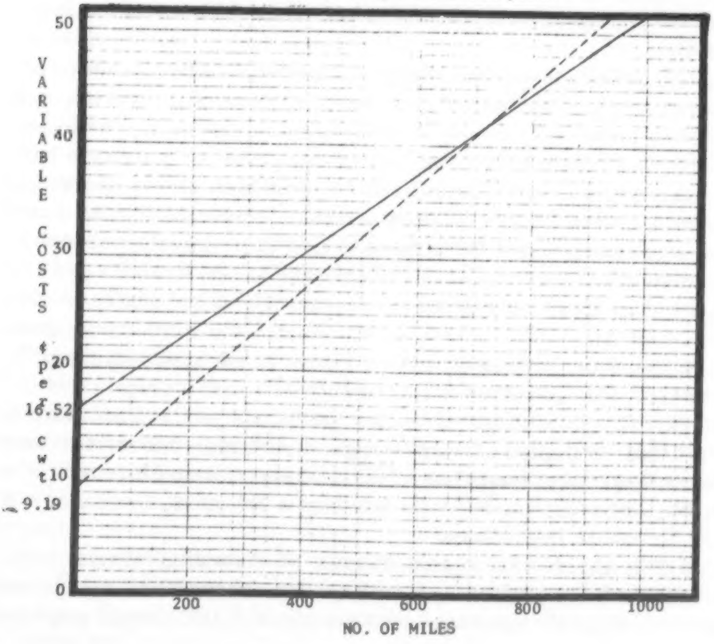
(c) SPS' assumption that cost is linear in relation to mileage is questionable. Because of the nature of costs and the many inputs to total costs, there is evidence that the line is curvilinear rather than straight.

(d) Since SPS' cost lines are based on only two points, an error in computing either point can make a marked difference in the slope of the line. Figure 8, attached hereto, demonstrates this possibility. The solid line, as previously described, is the cost equation computed by SPS. The broken line demonstrates how the slope can change if one point changes. In this example, using the results of SPS' cost computation for lumber, southern to official, 1972 (see G. Mehling's table 6), SPS used "total implicit costs" of 16.5223 cents at 0 miles as one point and the "total movement costs," 42.684 cents at the average short-line miles (738.5) as the other point.

Even assuming that the second point on the chart is correct, one must take issue with the first point on the chart. In SPS' computation the "total implicit costs" at the Y intercept (0 miles) is composed of way train costs, interchange costs, initial weighing, loss and damage, and terminal costs. It should be apparent that, at the point of 0 miles, only the terminal costs plus loss and damage should be included. It was erroneous to include initial weighing, which was assigned a cost of 1 interchange, as will be discussed later. At 0 miles there would be no way train costs or interchange costs.

Figure 8

Changes in the slope of line which could be caused by an error in one of the two data points



Moreover, the inclusion of the mean number of interchanges across the entire mileage spectrum is erroneous, as mileage does have some bearing on the amount of interchange cost involved. This point will also be discussed below. Including interchange costs in this manner overstates costs for shorter distances and understates costs at greater distances.

Bearing these arguments in mind, the initial point now becomes 0 miles and 9.190 cents (the sum of terminal plus loss and damage from Mehling's table 6). The difference in the lines is the difference between varying assumptions made at the initial point. Also, it becomes obvious that at distances greater than 1,000 miles, the difference would be much greater than that shown on the chart.

The point is not to show that the broken line represents the actual cost, but that an error in computation or an erroneous assumption in computing either point can magnify the errors. This is the danger inherent in SPS' cost equation which uses two points. Such a method of developing cost profiles is improper and unreliable. An appropriate method would be to compute the costs for each movement in each movement in each subsample. This would have provided a much more accurate picture of total costs and still would have encompassed the service units associated with a particular flow of traffic.

2. *SPS' four cost considerations.*—Number of interchanges: SPS' criticism of the Rail Form A method of accounting for interchanges is without merit. There is a basic misconception on SPS' part because Rail Form A develops interchange costs on a mileage basis and on a per-car-interchanged basis. Therefore, where the actual number of interchanges is known, the costs should be computed using the cost per car interchanged as shown in table 12 of the Commission's statement No. ICI-72, Rail Carload Cost Scale 1972.

A problem arises only in those instances where the actual number of interchanges is not known, in which case the interchange costs per car-mile, as developed in Rail Form A, are generally used. In this regard, the Coordinator agrees with SPS that mileage need not bear any *actual* relationship to the frequency and related cost of interchange switching. For example, a 200-mile movement may incur as many interchanges as a 500-mile movement. Moreover, it is possible that neither a 200-mile nor even a 500-mile movement will incur an actual interchange.

In 1948, the Commission's Bureau of Accounts analyzed the frequency of the number of carload interchanges as related to distance. The study was based on a sample of 4,102 carload waybills

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received by the Commission during April 1947. The number of interchanges were taken to be one less than the number of line-haul railroads participating in the movement of each consignment. The data were summarized by distance blocks and by intraterritorial and interterritorial movements. The study results are contained in the Commission's statement No. 7-63, Explanation of Rail Cost Finding Procedures and Principles Relating to the Use of Costs, table 29. Based on this study the number of carload interchanges was found to be in close relation to the length of the haul. This relationship would tend to support the Rail Form A method of computing the average cost of interchanges on a mileage basis.

Moreover, Rail Form A develops service unit costs by dividing the total interchange costs by the revenue car-miles to yield a unit cost on interchange per revenue car-mile. This procedure allocates the actual cost of interchange to all movements on an average incidence basis. On the other hand, SPS suggests that interchange costs should be applied on an average per-carload basis.

Based on a subsample of the 1-percent waybill sample, SPS determined the average number of interchanges incurred for each territorial commodity flow. This average number of interchanges was then included in SPS' cost calculations for each territorial commodity flow, regardless of miles.

The fallacy in this approach is that SPS is implying that each move in a territorial commodity flow would experience the average number of interchanges for that flow.

For example, for SPC 48 (lumber), moving from mountain Pacific territory to official territory (1972), the waybills in the subsample ranged in mileage from approximately 1,400 to 3,800, with the average number of interchanges being 3.2. SPS included the cost for the mean number of interchanges in the total cost *regardless* of the distance. Thus SPS is implying that the number of interchanges is totally unrelated to distance.

However, an analysis of the territorial flows submitted by SPS for SPC 48 for the years 1966 and 1972, substantiates the 1948 Commission study by reflecting a general relationship between the number of interchanges per carload and the length of haul.

Table 41 below lists the mean number of interchanges per carload and the mean mileage for each territorial flow submitted by SPS for lumber.

The territorial flows with mean mileages of 799 and 938 show mean number of interchanges that are significantly lower than those preceding them. This is because these two mean mileages are from intraterritorial movements where one would expect that fewer interchanges per movement would be required.

TABLE 41

Mean number of interchanges ranked by mean mileages for the years 1966-1972—Lumber, SPC 48

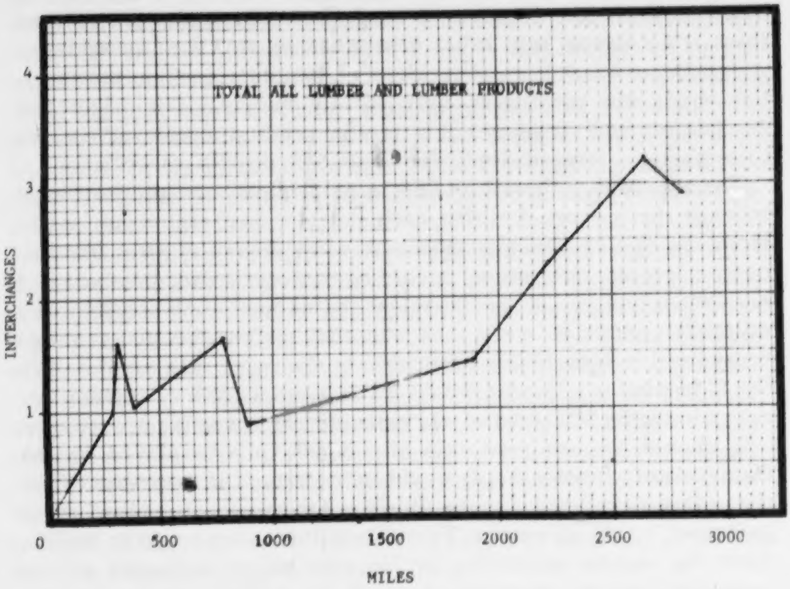
Territorial flow	Mean year mileage		Mean number of interchanges	
	1966	1972	1966	1972
South to South	508	407	0.83	0.94
South to Official	742	745	1.78	1.20
Mountain Pacific to Mountain Pacific	799	938	0.64	0.73
Mountain Pacific to Western Trunkline	1,818	1,838	2.94	1.14
Mountain Pacific to Southwest	2,050	2,217	2.32	2.21
Mountain Pacific to Official	2,480	2,582	3.27	3.20
Mountain Pacific to South	2,672	2,752	3.31	2.84

In addition, a graph depicting SPS' interchange data for territorial commodity flows for 1972 (figure 9) also substantiates the Commission's 1948 study by reflecting a general relationship between carload interchanges and the length of haul. This graph was developed by plotting weighted average of the mean carload interchanges according to their mean mileage for territorial flows of 5 commodities (data taken from verified statement of SPS witness Khan).

SPS, in uniformly applying the average number of interchanges to all distance in each flow, has overstated the costs of the shortest movements and understated the costs of the longest movements. While inclusion of interchange costs purely on a mileage basis is not the best method of computing such costs, the opposite view that interchange is totally unrelated to distance is clearly erroneous.

Figure 9

Weighted average of the mean carload interchanges according to their mean mileage—1972



Mileage calculation.—As previously noted, SPS developed the average number of miles within each of the applicable cost regions for the subject commodities. We agree with SPS that whenver possible the mileages should be split according to the railroad cost region in which the miles occur. Under Rail Form A, miles are basic service unit divisors (*e.g.*, car-miles and ton-miles), and as a result line-haul unit costs are related to mileage. In costing a particular movement, it is extremely important that line-haul costs be developed using the miles traveled in each region and the mileage-related unit costs of each region.

There are two basic methods of figuring mileage for any given movement: (1) actual route of movement-miles by each railroad involved, and (2) miles based on short-line distances.[10] The first method, assures that the mileage-related unit costs are apportioned on a pro rata basis. The development of costs based on actual miles is preferable since in many instances the short-line miles increased for circuity bear no relationship to the actual route of movement miles, and are in some cases, off by several hundred miles.

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[10] ICC docket No. 28300.

However, the actual route of movement miles in many instances cannot be determined; thus the second method of figuring mileages, based on short-line distances, is used. Generally, under this method there is no way to split miles other than by means of an arbitrary geographical breakdown. Therefore, to facilitate costing, the short-line miles are sometimes split equally between the origin and destination cost regions. This is the method employed in the Commission's Burden Study at which SPS directs its criticism.

The approach followed by SPS in determining the proportion of mileage that occurred within each railroad cost region has merit. However, this approach is subject to some degree of error because cost regions are determined according to the railroads involved and not according to a geographical breakdown. Although many railroads operate in more than one cost region, this geographical breakdown is nonetheless preferable to the equal split employed in the Commission's Burden Study. Such a breakdown of regions was necessitated by SPS' territorial commodity-flow costing procedures.

It should be observed that the equal split employed in the Commission's Burden Study could be corrected in two ways. First, the miles developed in the Burden Study are short-line miles generated by the computer. These short-line miles could be broken down by regions according to junction points indicated in the individual freight waybills. Second, a minor revision in the Commission's supplemental statement to the waybill, which specifies the information required by the Commission, could be made. This revision would require the railroads to show not only the actual route of movement, but also the actual route of movement miles traveled by each railroad. The line-haul costs could then be developed according to the region in which the service occurred.

Freight car costs.—The development of freight car costs by SPS is acceptable. SPS has developed car costs in the same manner as they are developed in the Commission's Burden Study. Rail Form A car costs were used according to the specific type of cars identified in the waybill sample.

SPS' suggestion that car costs be based on daily per diem and mileage rates as published in the AAR's UMLER file has merit. The idea has been explored before. One of the problems involved in using per diem rates is calculating the number of active per diem days. A problem also arises in computing the mileage portion based on short-line miles increased for circuity. The idea, however, deserves further consideration by the Commission.

Weighing of cars.—As noted, SPS included the cost of one interchange for the weighing of the loaded cars by the carriers in its variable cost computation. SPS is correct in that Rail Form A does not include a specific individual service unit cost relating to weighing. However, the expenses incurred by the carriers in weighing cars are included in Rail Form A and are buried in the origin and destination terminal switching cost, the interchange switching cost, and the terminal special service cost (Account 373, Station Expenses, and Account 402, Train Supplies and Expenses). Therefore, because Rail Form A includes the weighing expenses in other costs, the inclusion of an additional interchange cost by SPS is improper.

As SPS points out, there are various methods of weighing cars, several of which bear no relationship to a physical interchange, such as weighing in motion and dump weighing (weighing the lading after it has been unloaded from the car). SPS has not shown that the cost of one interchange approximates the cost of weighing a freight car.

Moreover, in many instances there are agreements with lumber shippers relative to weights certified by the shipper. Under a weight agreement the carrier's agent accepts the shipper's weight, determined prior to loading. This weight is inserted on the bill of lading. In other instances scales for weighing are not available. Thus a weight agreement results in more expeditious handling of traffic and less expense to the carrier.

The improper inclusion of weighing costs (based on one interchange) by SPS in the development of the cost line for each commodity flow has an effect on the slope of that line. Generally, this results in an overstatement of costs for the shorter distances and an understatement in costs for the longer distances.

3. *Results of SPS' revenue and cost profiles.*—In previous sections, we commented on the validity and usefulness of SPS' procedures in general and specifically on its four cost considerations. These procedures and considerations represent an effort by SPS to quantify the traffic service units and related costs for each of the territorial flows. However, in the final analysis, these objectives were not achieved.

For example, two of the four cost considerations (weighing and interchange cost) resulted in an overstatement of the costs for the shortest distances and an understatement in the costs for the longest distances. Also SPS' consideration of car costs based on actual per diem and mileage payments did not materialize. Of the four considerations, only its method of calculating mileage represented a refinement in costing.

Furthermore, we have noted the danger inherent in SPS' method of developing a cost line using only two points.

Because of these deficiencies we conclude that the results of SPS' study, as depicted in SPS' territorial commodity flow charts, are of limited value. Although these charts indicate some instances of noncompensativeness, more specific and reliable cost and revenue studies would be required to affirm any such finding.

4. *SPS's restatement of variable costs based on reconcilation of annual report expenses to Burden Study total expenses and certain adjustments.*—The 1972 Rail Form A and 1972 Burden Study expenses used to reconcile the difference between the Burden Study and annual report expenses, as cited in Williams' exhibit 1, were verified and found to be correct. The Commission is aware that a discrepancy exists between the service units developed for Rail Form A and the Burden Study. The reason for this discrepancy is that there were a number of gaps in the sample sequence in the 1972 DOT 1-percent carload waybill file. A total of 4,847 records were missing from the sequence, and were apparently overlooked or inadvertently omitted. In addition, approximately 1,600 records with missing data were not included in TD-1 for 1972.

It appears that the procedures used to reconcile the expenses between Rail Form A and the Burden Study for 1972 were properly carried out. However, the precise method of developing the variable costs shown in Williams' exhibit 4 cannot be verified. In order to assess the merits of the cost computations, it would be necessary to inspect the underlying workpapers.

Although the total ton-miles and car-miles developed in the Burden Study, when inflated, do not equal the total ton-miles and car-miles shown in the annual reports, this discrepancy may not materially affect the intercommodity revenue/cost relationships in the Burden Study. However, this problem raises the question of both the validity of the statistics derived from the 1-percent waybill sample as well as the validity of the service unit divisors obtained from the carriers' annual reports and freight commodity statistics. This problem deserves further consideration and study.

Part I(C)4: Opening statements submitted on behalf of the western railroads, rebuttal and surrebuttal

A. *Opening statements.*—The western railroads submitted two verified statements, identified as verified statements Nos. 2 and 5, respectively.

1. *Representative and/or repetitive movements.*—The western railroads submitted 32 movements in verified statement No. 2 in response to the Commission's order requesting freight rates on representative and/or repetitive movements of lumber and lumber products. However, we were unable to develop revenue-cost comparisons on these movements since neither the weight of the individual shipments, the type of car, nor the miles of haul were shown. The western railroads merely indicated that various minimum weights and type of cars were applicable.

The western railroads also submitted 38 so-called representative movements in verified statement No. 5, which showed the type of car and mileages, but omitted the weight of individual shipments. Therefore, we developed revenue-cost comparisions for these 38 movements using minimum weights which we believe are applicable according to the type of car shown. These revenue-cost comparisons are shown in a later section of this report.

2. *Revenue-cost relationships on lumber and lumber products.*—In verified statement No. 5, the western railroads introduced a study depicting revenue-cost comparisons on the 38 so-called representative movements of lumber, plywood, and wood products mentioned above. These revenue-cost comparisons are shown in table 42 and reflect movements from origins in the WTL territory to all points in the United States. Three of the 38 movements originated outside the United States, in British Columbia, but terminated in the United States.

TABLE 42

Cost-rate comparison of representative movements of transcontinental lumber, plywood, and wood products (costs and rates are in cents per hundredweight)

Line No.	From	To	Type of car[1]	Total miles via route	Rate at Ex Parte No. 305-A	Costs at July 1974 level		Costs at July 1974 with 10 percent return		Ratios rates to costs			
										July 1974		With 10 percent return	
						Variable	Fully allocated	Variable	Fully allocated	Variable	Fully allocated	Variable	Fully allocated
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
					Lumber								
1.	California	New York	Box GS-	3,584	233	209	267	226	291	111	87	103	80
2.	California	Mississippi	Box GS-	3,302	233	181	232	193	250	129	100	121	93
3.	Idaho	Wisconsin	Private --	1,749	208	147	177	157	190	141	118	132	109
4.	Montana	Missouri	Box GS-	1,905	208	112	144	120	155	186	144	173	134
5.	California	Ohio	Box GS-	3,028	233	174	222	186	240	134	105	125	97
6.	Idaho	Virginia	Box GS-	3,226	233	191	244	207	267	122	95	113	87
7.	Washington	Texas	Box SS--	3,173	180	234	284	249	304	77	63	72	59
8.	Idaho	Missouri	Box GS-	2,344	203	137	175	147	189	148	116	138	107
9.	Oregon	Michigan	Flat	2,610	233	145	187	156	203	161	125	149	115
10.	Washington	Colorado	Flat	1,474	152	86	112	92	120	177	136	165	127
11.	Idaho	Illinois	Box GS-	1,925	210	113	145	121	156	186	145	174	135
12.	Washington	Nebraska	Flat	1,438	174	84	109	91	119	207	160	191	146
13.	Oregon	Oklahoma	Flat	1,909	190	107	139	115	150	178	137	165	127
14.	California	Ohio	Box SS--	2,910	233	226	273	241	293	103	85	97	80
15.	Idaho	Michigan	Box SS--	2,228	233	174	211	185	226	134	110	126	103

See footnote at end of table.

Cost-rate comparison of representative movements of transcontinental lumber, plywood, and wood products (costs and rates are in cents per hundredweight)—Continued

Line No.	From	To	Type of car[1]	Total miles via route	Rate at Ex Parte No. 305-A	Costs at July 1974 level		Costs at July 1974 with 10 percent return		Ratios rates to costs			
										July 1974		With 10 percent return	
						Variable	Fully allocated	Variable	Fully allocated	Variable	Fully allocated	Variable	Fully allocated
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
					Lumber—Continued								
16.	Washington	New Hampshire	Box GS	3,212	233	189	242	204	263	123	96	114	89
17.	British Columbia	Illinois	Box GS	2,581	219	117	159	125	171	187	138	175	128
18.	British Columbia	Virginia	Box GS	4,060	270	161	223	172	244	168	121	157	111
19.	British Columbia	New Jersey	Box GS	3,482	212	151	208	163	226	140	102	130	94
					Plywood								
20	Idaho	New York	Box GS	2,579	233	140	183	158	206	166	127	147	113
21	Montana	Ohio	Box GS	1,927	233	106	138	113	149	220	169	206	156
22.	Oregon	Ohio	Box GS	2,647	233	139	182	149	197	168	128	156	118
23.	Oregon	Colorado	Box GS	1,954	174	104	137	111	147	167	127	157	118
24.	California	Iowa	Box SS	2,506	204	169	209	180	225	121	98	113	91
25.	Oregon	Illinois	Box SS	2,181	214	149	185	159	198	144	116	135	108
26.	Washington	Wisconsin	Private	1,889	219	152	184	162	197	144	119	135	111
27.	Oregon	Minnesota	Box SS	2,231	208	152	189	162	202	137	110	128	103
28.	Washington	New York	Box SS	3,267	233	229	282	244	303	102	83	95	77
29.	Montana	Alabama	Box SS	2,440	233	163	201	174	217	143	116	134	107

See footnote at end of table.

Cost-rate comparison of representative movements of transcontinental lumber, plywood, and wood products (costs and rates are in cents per hundredweight)—Continued

Line No.	From	To	Type of car[1]	Total miles via route	Rate at Ex Parte No. 305-A	Costs at July 1974 level		Costs at July 1974 with 10 percent return		Ratios rates to costs			
										July 1974		With 10 percent return	
						Variable	Fully allocated	Variable	Fully allocated	Variable	Fully allocated	Variable	Fully allocated
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
					Plywood—Continued								
30.	Oregon	Georgia	Box SS	2,867	233	189	234	201	251	123	100	116	93
31.	Oregon	Indiana	Box GS	2,445	233	129	169	138	182	181	138	169	128
32.	Washington	Florida	Private	3,280	233	253	303	273	330	92	77	85	71
33.	Oregon	Louisiana	Box SS	3,513	219	229	283	244	304	96	77	90	72
					Wood products								
34.	Oregon	Nebraska	Flat	2,214	196	126	162	137	177	156	121	143	111
35.	Oregon	Texas	Box SS	2,695	208	164	207	176	224	127	100	118	93
36.	California	Texas	Private	2,931	196	208	255	222	274	94	77	88	72
37.	Oregon	New York	Box GS	3,623	233	173	231	187	252	135	101	125	92
38.	Washington	Colorado	Flat	1,634	174	117	145	127	158	149	120	137	110

[1] Box GS is a boxcar general service. Box SS is a boxcar special service. Private is a private car other than railroad owned.

Source: Computed by Cost and Economics Division—Western Railroad Association.

The basic source of the revenue and traffic data for the study is the 1972 DOT 1-percent waybill study. The western railroads indicate that 35 of the 38 movements for which revenue-cost comparisons are shown were selected based on a 10-percent subsample of the 1972 DOT 1-percent waybill study.

From these waybills, the western railroads obtained the necessary traffic and revenue data, such as actual shipment weights and actual miles. The miles were computed for each movement based on the actual route of movement shown. The 1972 revenues were adjusted to reflect the Ex Parte No. 305-A[4] rate level.

The remaining three so-called representative movements from British Columbia to the States of Virginia, Illinois, and New Jersey were selected based on an unidentified special study.

For the entire 38 movements, the western railroads developed both variable and fully allocated costs for the year 1973 based on the Commission's statement No. 1C1-73, Rail Carload Cost Scales 1973. The 1973 costs were updated to the July 1974 level of expenses by means of the update procedures outlined in the Commission's statement No. 2-58, Rail Carload Cost Scales by Territories as of January 1, 1958. Thus, the updated costs are comparable to the Ex Parte No. 305-A rate level.

The variable and fully allocated costs developed for each movement were computed on two bases. The first basis employed the average rate of return as developed in Rail Form A (approximately 5 percent). The second basis employed a return on investment of 10 percent, which the western railroads maintain is closer to the figure necessary for railroads to provide adequate service. The western railroads contend that a return on investment of only 5 percent, as built into Rail Form A, is unrealistic and inadequate. The western railroads cite public utilities, another regulated industry, as an example of industries which are earning a return on net worth exceeding 10 percent.

Moreover, the western railroads note that the Commission in Ex Parte No. 267, *Increased Freight Rates, 1970 and 1971*, 339 I.C.C. 125, recognized that the rates of return on the Nation's railroads are at a depressed level. Further, the western railroads assert that a rate of return of 10 percent is not considered unreasonable in today's money market.

The western railroads presented revenue-cost comparisons showing only State-to-State origins and destinations in order to avoid disclosing the names of shippers and receivers, which the western railroads felt would be revealed by the use of cities for origin and destination.

In developing the costs for so-called representative movements, the following average traffic and cost characteristics were used:

1. Average weight of train
2. Average cost by car type
3. Private car costs were computed on average tare weight of 40 tons, which is the average of private cars in the lumber trade.
4. Average interchange cost
5. Average terminal cost
6. Average empty-return ratio
7. Average loss and damage experienced in 1972
8. Average inter- and intratrain switching cost
9. Average clerical cost

The results of the revenue-cost comparisons for the 38 so-called representative movements indicate that revenues exceeded variable costs (excluding the 10-percent return) on 34 of the 38 movements shown, with the ratio of revenue to cost ranging from a low of 102 percent to a high of 220 percent. The variable costs (excluding the 10-percent return) of the 4 remaining movements were only slightly above the revenues shown. Moreover, revenues exceeded fully allocated costs (excluding the 10-percent return) on 28 of the 38 movements depicted.

Revenues exceeded variable costs (including the 10-percent return) on 33 of the 38 movements shown. On 22 of the 38 movements, revenue exceeded fully allocated costs (including a 10-percent return).

In addition, the western railroads developed cost-rate comparisons on five so-called representative movements of poles, plywood, lumber, and millwork products that received transit en route. The revenues and costs for these movements were developed in the same manner as discussed above for the 38 movements. The results of these comparisons indicate that revenues exceeded variable costs (excluding the 10-percent return) on three of the five movements shown, with the ratio of revenue to cost ranging from a low of 136 percent to a high of 219 percent. Revenues also exceeded variable cost (including a 10-percent return) on the same three movements but by a slightly lower margin.

In their second verified statement (No. 2), the western railroads contend that the railroads in the WTL territory transport lumber and other wood products at a marginal profit or at revenues below variable costs of service. The western railroads refer to the Commission's Burden Study, which shows that revenue is only 47.4 percent of the variable costs for movement of sawlogs (STCC 24

111) within WTL territory. This amounts to a deficit of $82,382 on the movement of 915 carloads in that year. It should be noted that these 915 carloads represent only 1 percent of the subject carload traffic (STCC 24 111) handled within WTL territory in 1972.

The western railroads point out that Burlington Northern, Inc. (BN), handles a large number of the movements of sawlogs. For example, in 1973 BN handled approximately 45,000 carloads of logs moving between points in the States of Idaho, Montana, Oregon, and Washington. About 13,000 cars, or one-third of the total, were handled over the same three routings. Thus the western railroads developed revenue-costs comparisons for movements over these three routings. The results of these comparisons are shown in table 43 below.

TABLE 43

Ratio of revenue to variable costs on three major movements of sawlogs (STCC 24 111) handled by BN in 1973

From	To	Variable cost per carload (January 1974 level)	Revenue per carload (Ex Parte No. 301 level)	Ratio of revenue to variable costs
				Percent
Thompson Falls, Mont	Bonner, Mont	$187.65	$77.18	41
Peell, Wis	Tacoma, Wis	190.28	77.23	41
Lake Kapowsin, Wis	Tacoma, Wis	134.40	64.27	48

The western railroads state that the costs for the above movements were derived from the Commission's statement No. 1C1-72, Rail Carload Cost Scales 1972, for region 7, WTL territory, indexed to a January 1974 level. The western railroad do not specify the method employed in updating the costs in this verified statement. However, in verified statement No. 5, the western railroads state they used the method outlined in ICC statement No. 2-58, Rail Carload Cost Scales by Territories as of January 1, 1958.

Moreover, the western railroads contend that the 1972 Burden Study shows that pulpwood chips (STCC 24 115) moving in WTL territory fail to cover variable costs. For the 1,899 carloads sampled, the ratio of revenue to variable costs was 88.2 percent.

B. Rebuttal to the western railroads' opening statements.—Only two of the statements filed in response to the western railroads' opening statement contained rebuttal testimony relating to cost evidence.

1. *Rebuttal of SHTA.*—This party questions the accuracy and the value of the 10-percent subsample of the DOT 1-percent waybill study taken by the western railroads but gives no further elaboration of this point in the rebuttal statement.

2. *Rebuttal of Western Wood Products Association, et al. (WWPA).*—WWPA asserts that the 38 cost-rate comparisons reflected in verified statement No. 5 cover only a minimal number of shipments, and that 13 of the 38 rates depicted by the western railroads are not in accordance with any tariff on file with the Commission. WWPA states that the rates shown in the railroads' appendix A on lines 7, 10, 17, 18, 19, 20, 21, 22, 28, 29, 30, 31, and 32 are all incorrect; thus approximately one-third of the 38 rates shown by the western railroads are in error. WWPA indicates it does not know where the railroads obtained the rates, and points out that the rate of $2.33 per cwt. depicted in appendix A on plywood (lines 20, 21, 22, 28, 29, 30, 31, and 32) appears to be the rate that would apply on lumber. WWPA contends that no significance should be placed on the western railroads' cost-rate comparisons because of the errors noted in the rates.

C. Surrebuttal by the western railroads.—The western railroads note that the rebuttal statement submitted by WWPA states that certain rates depicted in appendix A of its opening statement were incorrect. The western railroads reviewed these rates and noted 11, and not 13, of the 38 rates were incorrect. Therefore, the western railroads submitted a revised exhibit, attached hereto as table 44, setting forth the correct rates in column 6. The 11 corrected rates are indicated with an asterisk. Since these rate revisions change the ratios of rates to costs in columns 11 through 14 of the original appendix A, the western railroads recalculated these ratios for the corrected rates. These ratios are set out in column 11 through 14 of table 44.

TABLE 44

COST-RATE COMPARISON OF REPRESENTATIVE MOVEMENTS OF TRANSCONTINENTAL LUMBER, PLYWOOD AND WOOD PRODUCTS
(Costs and Rates are in Cents per Hundredweight)

Line No. (1)	From (2)	To (3)	1/ Type of Car (4)	Total Miles Via Route (5)	Rate at 305-A (6)	Costs at July 1974 Level		Costs at July 1974 With 10% Return		Ratios Rates to Costs			
										July 1974		With 10% Return	
						Variable (7)	Fully Allocated (8)	Variable (9)	Fully Allocated (10)	Variable (11)	Fully Allocated (12)	Variable (13)	Fully Allocated (14)
								LUMBER					
1.	California	New York	Box GS	3 584	233	209	267	226	291	111	87	103	80
2.	California	Mississippi	Box GS	3 302	233	181	232	193	250	129	100	121	93
3.	Idaho	Wisconsin	Private	1 749	208	147	177	157	190	141	118	132	109
4.	Montana	Missouri	Box GS	1 905	208	112	144	120	155	186	144	173	134
5.	California	Ohio	Box GS	3 028	233	174	222	186	240	134	105	125	97
6.	Idaho	Virginia	Box GS	3 226	233	191	244	207	267	122	95	113	87
7.	Washington	Texas	Box SS	3 173	* 208	234	284	249	304	89	73	84	68
8.	Idaho	Missouri	Box GS	2 344	203	137	175	147	189	148	116	138	107
9.	Oregon	Michigan	Flat	2 610	233	145	187	156	203	161	125	149	115
10.	Washington	Colorado	Flat	1 474	152	86	112	92	120	177	136	165	127
11.	Idaho	Illinois	Box GS	1 925	210	113	145	121	156	186	145	174	135
12.	Washington	Nebraska	Flat	1 438	174	84	109	91	119	207	160	191	146
13.	Oregon	Oklahoma	Flat	1 909	190	107	139	115	150	178	137	165	127
14.	California	Ohio	Box SS	2 910	233	226	273	241	293	103	85	97	80
15.	Idaho	Michigan	Box SS	2 228	233	174	211	186	226	134	110	126	103
16.	Washington	New Hampshire	Box GS	3 212	233	189	242	204	263	123	96	114	89
17.	British Columbia	Illinois	Box GS	2 581	* 216	117	159	125	171	185	136	173	126
18.	British Columbia	Virginia	Box GS	4 060	* 233	161	223	172	244	145	104	135	95
19.	British Columbia	New Jersey	Box GS	3 482	* 233	151	208	163	226	154	112	143	103
								PLYWOOD					
20.	Idaho	New York	Box GS	2 579	* 246	140	183	158	206	176	134	156	119
21.	Montana	Ohio	Box GS	1 927	* 234	106	138	113	149	221	170	207	157
22.	Oregon	Ohio	Box GS	2 647	* 244	139	182	149	197	176	134	164	124
23.	Oregon	Colorado	Box GS	1 954	174	104	137	111	147	167	127	157	118
24.	California	Iowa	Box SS	2 506	204	169	209	180	225	121	98	113	91
25.	Oregon	Illinois	Box SS	2 181	214	149	185	159	198	144	116	135	108
26.	Washington	Wisconsin	Private	1 889	219	152	184	162	197	144	119	135	111
27.	Oregon	Minnesota	Box SS	2 331	208	152	189	162	202	137	110	128	103
28.	Washington	New York	Box SS	3 267	* 251	229	282	244	303	110	89	103	83
29.	Montana	Alabama	Box SS	2 440	* 237	163	201	174	217	145	118	136	109
30.	Oregon	Georgia	Box SS	2 867	* 245	189	234	201	251	130	105	122	98
31.	Oregon	Indiana	Box GS	2 445	233	129	169	138	182	181	138	169	128
32.	Washington	Florida	Private	3 280	* 251	253	303	273	330	99	83	92	76
33.	Oregon	Louisiana	Box SS	3 513	219	229	283	244	304	96	77	90	72
								WOOD PRODUCTS					
34.	Oregon	Nebraska	Flat	2 214	196	126	162	137	177	156	121	143	111
35.	Oregon	Texas	Box SS	2 695	208	164	207	176	224	127	100	118	93
36.	California	Texas	Private	2 931	196	208	255	222	274	94	77	88	72
37.	Oregon	New York	Box GS	3 623	233	173	231	187	252	135	101	125	92
38.	Washington	Colorado	Flat	1 634	174	117	145	127	158	149	120	137	110

NOTES: 1/ Box GS is a Box Car General Service.
Box SS is a Box Car Special Service.
Private is a Private Car other than Railroad owned.
* = Corrected Rate.

SOURCE: Computed by Cost and Economics Division - Western Railroad Association

D. Coordinator's conclusions.—As previously noted, we were unable to develop revenue-cost comparisons on the 32 so-called representative movements submitted in verified statement No. 2 because the necessary traffic data such as the weight of the individual shipments, the type of car, and the miles of haul were not shown.

We were able to develop revenue-cost comparisons for 38 so-called representative movements submitted in verified statement No. 5 and later amended in appendix A of the western railroads' surrebuttal statement. The traffic information submitted in this statement was also incomplete in many respects: no shipment weights were given; only the origin and destination States were shown, not the particular city; and actual total mileage was given, but minus any routing or breakdown by cost region.

To compensate for this, as previously discussed, we assumed a minimum weight of 35 tons for each of the 38 movements. We broke down total miles between cost regions by using major gateways, such as Chicago and New Orleans. Because the origin and destination were given by State rather than city, it was necessary to approximate the mileage breakdowns according to major cities.

Our computation of variable and fully allocated costs for the 38 so-called representative movements will appear in a later section of this report. While the western railroads indicates that 35 of the 38 movements were selected from a 10-percent subsample of the 1972 DOT 1-percent waybill study, it failed to specify what sampling procedures, if any, were employed. Thus there is no way of determining if the movements selected are, in fact, representative movements of lumber and lumber products originating in transcontinental territory. Nor have the western railroads explained how it selected the three so-called representative movements from British Columbia.

Regarding objections by the SHTA and WWPA to the value of the 10-percent subsample of the 1-percent waybills, we note that the 35 movements selected do not represent a 10-percent subsample of the 1-percent waybill sample. Rather, they account for only a small portion of the 10-percent subsample and were apparently selected from the 10-percent subsample on a judgmental basis. Therefore, there is no way of attesting the representativeness of the movement submitted. Nonetheless, the mere fact that the sample size is relatively small in relation to its universe does not in itself invalidate that sample.

We cannot verify the variable and fully allocated costs submitted by the western railroads because the railroads did not submit any underlying workpapers. However, based on the explanation provided in the railroads' statements, we only take issue with the use of average weight train costs. In this instance, it would have been more desirable to use way and through train costs. However, a comparison of the railroads' costs with the costs computed by the Coordinator in a later section for the same movements reveal only minor differences in costs.

For example, our results closely approximate those of the railroads for the 19 movements shown for lumber, when we use the rate of return from Rail Form A (approximately 5 percent). The sole exception to this was in the case where the car was privately owned, where our ratios of revenue to cost far exceeded those presented by the railroads.

Our results showed lower costs than those shown by the railroads for the 14 plywood movements except for the two instances where the car was privately owned, in which cases the costs were considerably lower than those shown by the railroads (or as stated above, our revenue-cost ratios were much higher). The comparisons for five movements of wood products were mixed.

In general, it is extremely difficult to make comparisons between our revenue/cost relationships and those of the railroads. However, for the purpose of comparison, the applicable ratios to use would be those incorporating the average rate of return computed from Rail Form A, not those using a 10-percent rate of return. This is not to say that a 10-percent rate of return is not proper, for that is a matter beyond the scope of this discussion and the subject of a separate investigation,[10] but merely that the Rail Form A costs are those used in the Commission's cost program and are thus most applicable in any such comparison.

The comparison becomes difficult because of the lack of precise information we previously noted. The lack of data on shipment weight is of particular significance. In any movement where the weight differed significantly from the weight that was used in our calculations (35 tons), there would be a large difference in costs. In addition, our cost program provided for the removal of car ownership costs, where the car was privately owned, but due to a lack of information, does not add back in any rental cost paid by the railroad to the shipper. This would necessarily understate costs and overstate or inflate the ratio of revenue to cost.

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[10] Ex Parte No. 271, *Net Investment—Railroad Rate Base & Rate of Return*, 345 I.C.C. 1492.

We could not verify the costs shown for the 5 movements which received transit en route for basically the same reason as shown above for the 38 movements. However, a comparison of the railroads' costs (excluding the 10-percent return) with the variable and fully allocated costs we computed for the same movements reveal some differences in costs. This comparison is shown in table 45 below.

TABLE 45

Cost rate comparison of transit movements of lumber and lumber products from transcontinental territory

Origin State	Transit State	Destination State	Commodity	Rate at Ex Parte 305-A	Railroads' cost at July 1974 level		Our cost at 1974 average cost level	
					Variable	Fully allocated	Variable	Fully allocated
Oregon	Oregon	Minnesota	[1]Poles	196	134	171	146	179
Oregon	Washington	North Carolina	[2]Plywood	251	273	311	172	222
Washington and Oregon	Idaho	Minnesota	[3]Lumber	195	89	122	116	145
California	Minnesota	New Hampshire	[3]Millwork	305	346	422	275	344
California	Iowa	Nebraska	[3]Millwork	222	163	211	172	216

[1] Moved on flatcars into and out of transit point.

[2] Moved into transit point in a general service boxcar and out in a private car.

[3] Moved in a general service boxcar into and out of the transit point.

Our cost calculations show that revenues exceed variable costs on all five movements, whereas the railroads calculations show revenues on movements are below variable costs. Further, our calculations indicate revenue exceeds fully allocated costs on four of the five movements whereas the railroads indicate that revenue on only three of the five movements exceeds the variable costs.

The costing methodology used in developing the variable and fully allocated costs is identical to that employed in developing the costs for the other 38 movements (discussed in detail later herein), with one exception. The costs for these five movements include the equivalent of the cost for one complete origin and destination terminal service (excluding special services), which would approximate the costs of a transit stop en route.

The western railroads contend that the Commission's 1972 Burden Study reveals that the railroads in WTL territory transport lumber and other wood products at a marginal profit or at revenues below variable costs. This is true on movements of primary forest products (pulpwood, logs, posts, etc.), which represent approximately 30 percent of the total carloads of lumber and related lumber products reported in the Burden Study as moving from and within WTL territory.

However, with the exception of primary forest products, the 1972 Burden Study shows that revenue exceeds variable costs in every instance on the remaining 70 percent of the lumber and lumber-related traffic handled from and within the WTL territory. In fact, the Burden Study shows that revenue generally exceeds fully allocated costs on the remaining lumber and lumber-related traffic. Only on the remaining lumber and lumber-related traffic moving from WTL territory to official territory did revenue fall slightly below fully allocated costs.

We could not verify the costs for the three major movements of sawlogs handled by BN during 1970 because the precise method of cost calculation was not shown for these movements and because certain traffic information, such as the weight of lading, number of miles, type of car, etc., was not delineated. However, we should note that the ratios of revenue to variable cost on the three movements are in line with the results depicted in the 1972 Burden Study for sawlogs traffic handled within WTL territory. The 1972 Burden Study indicates the revenue on sawlog movements within WTL territory is substantially below variable costs.

The significance of these three movements cannot be determined since the railroads have not indicated what percentage of the total sawlog movements in WTL territory is handled by BN. However, a comparison of BN's 1973 sawlog traffic with the total sawlog traffic shown in the 1972 Burden Study would indicate that BN accounts for approximately 50 percent of the sawlog traffic in WTL territory. Thus, if the above three movements represent approximately one-third of BN's total sawlog movements, then it follows that these three movements would represent a fairly significant portion of all sawlog movements handled within WTL territory.

Part I(C)5: Opening statement submitted on behalf of SFPA, rebuttal and surrebuttal

A. Opening statement.—Verified statement No. 3 was submitted on behalf of SFPA.

1. Representative and/or repetitive movements.—SFPA submitted 142 movements in response to the Commission's request for representative and/or repetitive carload movements of lumber and lumber products. These movements were selected from the 1972 DOT 1-percent waybill study and cover shipments made by members of the SFPA during 1972.

2. Revenue-cost relationships.—SFPA introduced a cost study depicting revenue-cost comparisons on the 142 lumber and plywood shipments, based on the revenue and traffic data contained in the DOT 1-percent waybill study for 1972. As noted above, only shipments made by members of SFPA during 1972 were used.

SFPA confined its analysis of these shipments primarily to lumber because it decided there were few shipments on other lumber related products to justify an analysis. Some movements of plywood to official territory were included because rates on lumber and plywood are identical, except to official territory.

The 142 lumber and plywood shipments used in the study reportedly account for 85 percent of the waybill sample universe of southern pine products in 1972.

The revenues obtained from the waybills were adjusted to reflect the Ex Parte No. 305-A rate level.

SFPA's study is based on data from the Commission's Rail Form A unit costs for 1972, which were published in the Commission's statement No. 1C1-72, *supra.* SFPA updated the 1972 Rail Form A costs to a 1974 cost level for comparison with the revenues at the Ex Parte No. 305-A rate level.

Costs were updated by comparing operating expenses and revenue ton-miles for 1972 and for 1974 for three cost territories:

East, South, and West. The 1972 data was taken from a Commission publication entitled Transport Statistics in the United States. The 1974 data was obtained from an AAR statement entitled Railroad, Revenues, Expense and Income 1974, RE 679. The resultant statistics, expressed as expense per 1,000 revenue ton-miles, were compared to develop the percent of increase 1974 over 1972 by cost territory.

SFPA's cost study consists of a series of exhibits and charts depicting rates and costs on movements of lumber and plywood handled by SFPA members during 1972. SFPA developed both variable and fully allocated costs for each shipment. These costs are depicted in each exhibit according to territorial breakdown. For purposes of graphic presentation, the costs were plotted on charts by territorial breakdown.

The average circuity of shipments as well as the average weight for the cars in the waybill sample was used in developing the variable and fully allocated costs. Unadjusted regional cost factors were used for intraterritorial movements. For movements covering interterritorial shipments, SFPA developed regional cost factors for each territory by determining the average percent of haul that occurred in each territory. The variable and fully allocated costs were then plotted on the charts for the average weight car with the average circuity for those movements covered in each chart. These costs were further broken down by type of car: box or flat. SFPA applied way train cost factors for the balance of actual route-miles, by type of car and empty-return ratio.

Although the fully allocated costs for each car in the sample were calculated, these costs were not plotted on the charts.

The revenues, expressed in cents per hundredweight, were calculated by dividing the actual weight of each movement sampled, into the revenue for that car at the Ex Parte No. 305-A level. These revenues were plotted individually for each car.

According to SFPA, its cost study reveals that the revenue per cwt. received by the carriers at the Ex Parte No. 305-A level exceeded the estimated 1974 variable cost on every movement of southern pine lumber or plywood involved in the sample.[11] Further, SFPA argues that the revenue in a majority of cases (77 percent) exceeded the fully allocated costs for the same movements.

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[11] A check of the 142 movements shown by SFPA revealed, however, that the revenue was slightly below variable costs on one movement from Hermansville, Miss., to Bridgeton, Mo.

B. *Rebuttal to SFPA's opening statement.*—Of the several rebuttal statements submitted in response to SFPA's opening statement, only one contained testimony related to cost evidence.

1. *Rebuttal of SPS.*—The SPS questions the methodology used by SFPA to update its costs. SPS notes that SFPA obtained its update ratios by dividing 1974 railroad operating expenses per 1,000 ton-miles by 1972 railroad operating expense per 1,000 ton-miles, and argues that the proper procedure would have been to update costs in accordance with the indexing methodology prescribed in the Commission's statement No. 2-58, *supra*. SPS maintains that SFPA's update procedure does not reflect the fact that different categories of expense increase at varying rates.

C. *Surrebuttal by SFPA.*—SFPA asserts that its method of updating costs is as accurate, if not more so, as that used by SPS, and points out that many of the various analyses presented in this proceeding do not conform to the costing procedures prescribed by the Commission's Section of Cost and Valuation.

D. *Coordinator's conclusions.*—Our calculation of variable and fully allocated costs for the 142 movements made by members of the SFPA during 1972 will appear in a later section of this report. Since these movements were selected from the 1972 DOT 1-percent waybill study, it would appear that the sample encompasses the universe of southern pine products. The omission of certain portions of that universe, as not being a significant reflection of the overall characteristics of this traffic, would not have an effect on the sample, since only a minor number of movements were actually eliminated. Nonetheless, the movements selected are only representative of lumber and plywood shipments handled by members of the SFPA during 1972.

The variable and fully allocated costs shown by SFPA cannot be verified. SFPA did not fully explain its precise method of cost computation, nor did it submit any underlying workpapers to permit verification of the costs. Only the resulting costs per cwt were shown.

SFPA indicated that it determined the average percent of haul that occurred for each territory. Although the calculation of mileage split between railroad cost regions has merit, SFPA did not indicate how this breakdown was accomplished. Moreover, as noted earlier, the breakdown of mileage between cost regions is subject to some degree of error because cost regions are determined according to the railroads involved, and not by some geographical breakdown. Nonetheless, such a geographical breakdown is preferable to an equal split between cost regions.

SFPA's method of updating the 1972 costs to a 1974 level is of questionable value. SFPA has simply divided the 1974 total railroad operating expenses per 1,000 ton-miles by the 1972 total operating expenses per 1,000 ton-miles to arrive at an index. We agree with the rebuttal testimony of SPS that this procedure does not reflect the fact that different categories of expenses increase at varying rates.

Although we could not determine the accuracy of the variable and fully allocated costs shown by SFPA, we compared these costs with our costs for the same movements. The comparison shows some differences in cost, but the differences do not significantly affect the results shown by SFPA.

For example, our cost calculations indicate revenue exceeds variable costs on each of the 142 lumber and plywood shipments submitted by SFPA except one from Warren, Ark., to Logan, Ohio. On this particular movement, revenue was only slightly below variable costs. The ratio of revenue to variable costs on the 142 movements ranged from a low of 106 percent to a high of 235 percent. Further, our cost calculations indicate revenue exceeds fully allocated costs (under the ton and ton-mile basis of allocating constant costs) on 127 of 142, or 89 percent of the movements, while SFPA results indicated revenue on 77 percent of the movements exceeded fully allocated costs.

Part I(C)6: Opening statements submitted on behalf of the eastern territory railroads, rebuttal and surrebuttal statements

A. *Opening statements.*—Three verified statements, Nos. 4, 9, and 10, were submitted on behalf of the eastern railroads.

1. *Representative and/or repetitive movements.*—In verified statement No. 4, the eastern railroads submitted 34 movements in response to the Commission's request for representative and/or repetitive carload movements of lumber and lumber products. The General Freight Traffic Committee of the eastern railroads established a standardized format under which each member railroad was requested to furnish three repetitive movements. The 34 movements reportedly represent all submissions returned to the traffic committee by the individual railroads.

Verified statements Nos. 9 and 10 contain additional movements. Verified statement No. 9 includes 16 so-called "repetitive" lumber movements, involving the Chesapeake and Ohio (C&O) and Baltimore and Ohio (B&O) railroads in 1974. Another 15 movements were submitted in verified statement No. 10 and reportedly represent typical lumber shipments handled by the Penn Central during 1974.

2. *Revenue-cost relationships on lumber and lumber products.*—Only two of the opening statements submitted on behalf of the eastern railroads included cost evidence.

Verified statement No. 9 contained a cost study showing the revenue and cost relationships on 16 lumber movements. These movements were selected on the basis of a sample of "repetitive" movements involving the C&O and B&O in 1974. The 16 movements are made up of 4 complete movements handled exclusively by the C&O/B&O and 12 incomplete movements, which means that only the C&O/B&O portion of each movement was considered in computing the revenue-cost relationship.

The eastern railroads developed both variable and fully allocated costs for these movements based on an application of the Commission's Rail Form A, Formula for Use in Determining Rail Freight Service Cost, to the 1974 expenses and statistics of the C&O and B&O railroads. The costs were updated to a May 1, 1975, wage and price level in accordance with the method outlined in Commission statement No. 2-58, Rail Carload Cost Scales by Territories as of January 1, 1958.

The eastern railroads used average weight train costs, and actual miles based on actual route of movement in computing costs. Tare weight of the involved cars were obtained from the AAR's UMLER file. The eastern railroads developed empty-return ratios based on C&O and B&O actual experience for the specified car types and took interchange and terminal car-day factors from their own Rail Form A applications. Per diem and mileage rates reflecting actual experience of the B&O and C&O were used. Loss and damage expenses were also based on actual B&O and C&O experience for the years 1972, 1973, and 1974.

Revenues were shown at the Ex Parte No. 305-A rate level.

The results of this cost study are shown in table 46. The revenue-cost comparisons are mixed, but generally show revenue to be below costs. On 10 of the 16 movements shown, carload revenues fail to cover fully allocated costs. On 9 of those 10 movements, carload revenues fall below variable costs.

Verified statement No. 10 contains a cost study showing revenue-cost comparisons on 15 movements of lumber (STCC 24 211) which were selected by Penn Central's marketing department to represent movements terminated by Penn Central in 1974. No mention is made as to how those movements were selected or whether they are representative of lumber traffic handled by the Penn Central in 1974.

TABLE 46

Eastern railroads' comparison of revenue and costs of handling lumber

Line	From	(Conn.)[1] Chicago, Ill.					(Conn.)[1] Miller, Ind.	(Conn.)[1] Chicago, Ill.	
	To	Saginaw, Mich.	Grand Ledge, Mich.	Clarksburg, W. Va.	Newport News, Va.	Buffalo, N.Y.	White Marsh, Md.	Grand Haven, Mich.	Cedar Lake, Mich.
1.	Operating miles	306	228	546	971	692	795	171	308
2.	Car type	D2	D1	D2	W1	W1	G2	D1	G2
3.	Weight of lading---(pounds)	80,660	70,650	84,360	78,600	81,760	81,580	82,290	86,060
4.	Empty return-----(percent)	80	90	79	90	93	79	90	80
5.	Days on line (estimate)	6.7	6.1	8.8	9.7	9.8	10.2	5.7	6.3
6.	Per diem rate	$4.47	$2.80	$4.30	$5.40	$5.44	$4.30	$2.80	$4.47
7.	Mileage rate-----(cents)	3.10	2.63	3.10	3.24	3.22	3.10	2.63	3.10
	Variable costs								
	Line-haul:								
8.	Car	$61.05	$38.17	$112.52	$211.06	$158.73	$163.83	$28.63	$61.45
9.	Lading	40.06	26.15	77.83	123.87	95.60	109.58	22.84	43.02
10.	Inter/intratrain	9.07	9.58	27.19	28.73	19.54	27.19	9.58	9.07
11.	Interchange	15.97	16.85	15.94	16.85	17.18	15.94	16.85	15.97
12.	Total line-haul	126.15	90.75	233.48	380.51	291.05	316.54	77.90	129.51
	Car cost:								
13.	Time portion	34.37	19.64	42.72	60.14	60.19	49.52	18.35	32.32
14.	Mileage and inspection	24.90	17.24	42.19	86.36	59.47	61.44	12.93	25.06
15.	Total car cost	59.27	36.88	84.91	146.50	119.66	110.96	31.28	57.38

See footnote at end of table.

Eastern railroads' comparison of revenue and costs of handling lumber—Continued

Line	From	(Conn.)[1] Chicago, Ill.					(Conn.)[1] Miller, Ind.	(Conn.)[1] Chicago, Ill.	
	To	Saginaw, Mich.	Grand Ledge, Mich.	Clarksburg, W. Va.	Newport News, Va.	Buffalo, N.Y.	White Marsh, Md.	Grand Haven, Mich.	Cedar Lake, Mich.
	Variable costs—Continued								
	Terminal:								
16.	Switching	$31.30	$31.30	$31.43	$34.78	$34.92	$31.43	$31.30	$31.30
17.	Billing	5.49	5.49	5.77	5.49	5.77	5.77	5.49	5.49
18.	Train supplies and expenses and special service	1.65	1.65	1.94	1.65	1.94	1.94	1.65	1.65
19.	Total terminal	38.44	38.44	39.14	41.92	42.63	39.14	38.44	38.44
	Loss and damage:								
20.	Claims clerical	.19	.16	.19	.18	.19	.19	.19	.20
21.	Payments	1.49	1.31	2.62	1.45	2.53	2.53	1.52	1.59
22.	Total loss and damage	1.68	1.47	2.81	1.63	2.72	2.72	1.71	1.79
23.	Total variable costs—per car	225.54	167.54	360.34	570.56	456.06	469.36	149.33	227.12
24.	Total revenue—per car	192.83	255.15	520.88	485.32	371.48	510.23	297.19	294.80
25.	Ratio revenue to variable costs	.85	1.52	1.45	.85	.81	1.09	1.99	1.30
26.	Total full costs—per car	269.91	199.92	450.66	678.32	593.13	586.76	181.51	274.66
27.	Ratio revenue to full costs	.71	1.28	1.16	.72	.63	.87	1.64	1.07

[1] (Conn.) means "connecting line."

Note: Costs are based on C&O and B&O Rail Form A—Year 1974, indexed to May 1, 1975, wage and price level.

Eastern railroads' comparison of revenue and costs of handling lumber—Continued

Line	From	(Conn.)[1] Chicago, Ill.				Wellston, Ohio	Ronceverte, W. Va.	Frametown, W. Va.	(B&O) Fostoria, Ohio
	To	Winchester, Va.	Dearborn, Mich.	Richmond, Ind.	Dearborn, Mich.	Strongsville, Ohio	Louisville, Ky.	(C&O) Fostoria, Ohio	Port Huron, Mich.
1.	Operating miles	754	321	215	321	392	404	402	308
2.	Car type	W1	D2	D2	G2	W1	W1	W1	W1
3.	Weight of lading---(pounds)	122,500	48,600	64,600	50,600	36,000	36,000	36,000	36,000
4.	Empty return-----(percent)	93	80	80	80	93	90	93	90
5.	Days on line (estimate)	9.8	6.5	5.6	6.5	13.2	11.8	9.8	6.9
6.	Per diem rate	$5.44	$4.47	$4.47	$4.47	$5.44	$5.40	$5.44	$5.40
7.	Mileage rate-----(cents)	3.22	3.10	3.10	3.10	3.22	3.24	3.22	3.24
	Variable costs								
	Line-haul:								
8.	Car	$172.95	$64.04	$42.89	$64.04	$89.91	$87.82	$92.21	$66.95
9.	Lading	156.06	25.32	22.54	26.36	23.84	23.60	24.45	18.00
10.	Inter/intratrain	19.54	9.07	----------	9.07	48.85	19.15	29.31	19.15
11.	Interchange	17.18	15.97	15.97	15.97	----------	----------	17.18	16.85
12.	Total line-haul	365.73	114.40	81.40	115.44	162.60	130.57	163.15	120.95
	Car cost:								
13.	Time portion	60.19	33.35	28.73	33.35	81.07	73.18	60.19	42.79
14.	Mileage and inspection	64.80	26.12	17.49	26.12	33.69	35.93	34.55	27.39
15.	Total car cost	124.99	59.47	46.22	59.47	114.76	109.11	94.74	70.18

See footnote at end of table.

Eastern railroads' comparison of revenue and costs of handling lumber—Continued

Line	From To	(Conn.)[1] Chicago, Ill. Winchester, Va.	Dearborn, Mich.	Richmond, Ind.	Dearborn, Mich.	Wellston, Ohio Strongsville, Ohio	Ronceverte, W. Va. Louisville, Ky.	Frametown, W. Va. (C&O) Fostoria, Ohio	(B&O) Fostoria, Ohio Port Huron, Mich.
	Variable costs—Continued								
	Terminal:								
16.	Switching	$34.92	$31.30	$31.30	$31.30	$69.84	$69.66	$34.92	$34.83
17.	Billing	5.77	5.49	5.49	5.49	11.54	10.99	5.77	5.49
18.	Train supplies and expenses and special service	1.94	1.65	1.65	1.65	3.88	3.31	1.94	1.65
19.	Total terminal	42.63	38.44	38.44	38.44	85.26	83.96	42.63	41.97
	Loss and damage:								
20.	Claims clerical	.28	.11	.15	.12	.16	.17	.08	.08
21.	Payments	3.80	.90	1.20	.94	1.12	.67	1.12	.67
22.	Total loss and damage	4.08	1.01	1.35	1.06	1.28	.84	1.20	.75
23.	Total variable costs—per car	537.43	213.32	167.41	214.41	363.90	324.48	301.72	233.85
24.	Total revenue—per car	730.69	179.65	121.34	179.65	302.40	381.60	230.36	180.04
25.	Ratio revenue to variable costs	1.36	.84	.72	.84	.83	1.18	.76	.77
26.	Total full costs—per car	703.48	240.92	194.83	243.14	400.30	352.92	332.60	254.41
27.	Ratio revenue to full costs	1.04	.75	.62	.74	.75	1.08	.69	.71

[1] Conn. means "connecting line."

Note: Costs are based on C&O and B&O Rail Forms A—Year 1974, indexed to May 1, 1975, wage and price level.

A number of the movements shown originated on other railroads but terminated on Penn Central. The revenue-cost comparisons deal only with the portion of the movement handled by Penn Central.

Variable and fully allocated costs for the 15 movements were developed for the year 1974 based on an application of the Commission's Rail Form A, *supra*, to the expenses and statistics of the Penn Central Transportation Company. These costs were updated to a May 1, 1975, level based on the updating procedures outlined in Commission's statement No. 2-58, *supra*.

In addition, the costs were adjusted to reflect the following: 1. actual miles of both way and through trains based on actual route of movement by the Penn Central as well as the actual number of immediate classification switches; 2. tare weight based on car type data from AAR's UMLER file of October 1974; and 3. ratio of empty to loaded car-miles by type of car based on Penn Central actual experience for 1974.

The 1974 revenue were also reportedly updated to a May 1, 1975 level.

Eastern's revenue-cost comparison on the 15 movements for the Penn Central's portion of the haul is attached hereto as table 47. These comparisons indicate that revenue exceeded variable costs on 12 of the 15 movements shown. However, when constant costs are considered, revenue fails to cover fully allocated costs on 10 of the 15 movements.

TABLE 47

Lumber—STCC 24 211—Movements on Penn Central in 1974 adjusted to 1975 revenue and cost levels

Item	Waybill No.	Date	Origin	On junction	Destination	Gross revenue	Penn Central revenue	Variable costs	Contribution	Contributed to fixed costs as percent of revenue	ICC full costs	Penn Central net after ICC full cost
1.	84182	June 13, 1974-	Wallace, Idaho----	Chicago----	Olneyville, R.I----	$1,706.73	$554.69	$535.07	$19.62	3.5	$689.74	$(135.05)
2.	82394	May 30, 1974--	Willaims Lake, British Columbia.	---do------	Wallingford, Conn--	1,903.20	605.22	541.68	63.54	10.5	688.82	(83.60)
3.	128086	June 7, 1974--	White Swan, Wash--	---do------	Westfield, Mass----	1,659.66	539.39	510.00	29.39	5.4	646.81	(107.42)
4.	638616	May 1, 1974---	Tacoma, Wash------	---do------	Marydel, Del-------	1,932.97	628.22	473.86	154.36	24.6	568.47	59.75
5.	53606	June 27, 1974-	Morton, Wash------	---do------	Washington, D.C----	1,966.52	639.12	465.74	173.38	27.1	594.40	44.72
6.	423058	May 6, 1974---	Balco Indus, British Columbia.	---do------	Maugansville, Md---	2,124.96	543.99	480.19	63.80	11.7	649.22	(105.23)
7.	210079	July 5, 1974--	Hinton, Alberta---	---do------	Louisville, Ky-----	1,873.20	365.27	252.61	112.66	30.8	316.49	48.78
8.	369934	May 31, 1974--	Terrace, Alberta--	---do------	Grand Rapids, Mich-	2,006.13	302.93	187.86	115.07	38.0	225.14	77.79
9.	424741	Apr. 7, 1974--	Vavenby, British Columbia.	---do------	E. Syracuse, N.Y---	1,537.80	393.68	408.65	(14.97)	0	525.70	(132.02)
10.	353805	June 10, 1974-	Prince George, British Columbia.	---do------	Nitro, W. Va-------	1,631.00	358.82	345.50	13.32	3.7	426.22	(67.40)
11.	22491	June 13, 1974-	Potlatch, Idaho---	---do------	Charleston, Ill----	1,847.28	184.73	306.10	(121.37)	0	377.99	(193.26)
12.	424651		Vavenby, British Columbia.	---do------	Murraysville, Pa---	2,080.69	457.75	437.22	20.53	4.5	561.20	(103.45)
13.	424855	May 7, 1974---	Boston Bar, British Columbia.	---do------	Kenton, Ohio-------	1,775.46	333.79	316.04	17.75	5.3	408.82	(75.03)
14.	207216	July 23, 1974-	Russellville, S.C-	Washington-	Hills Grove, R.I---	1,275.99	612.48	487.31	125.17	20.4	668.78	56.30
15.	227403	July 24, 1974-	Plymouth, N.C----	---do------	Irvington, N.Y-----	717.84	358.92	415.41	(86.49)	0	548.06	(189.14)

The eastern railroads also developed variable and fully allocated costs for three movements of lumber, moving solely within the official territory, which were selected at random to closely approximate an average haul of 451 miles. The 451-mile distance is indicated in the 1972 Burden Study as the average haul of lumber (STCC 24 211) moving from official to official territory.

Costs for these three movements were based on 1972 costs as derived from the Commission's statement No. 1C1-72, *supra,* region III (official territory), updated to a May 1, 1975, cost level based on the procedures outlined in the Commission's statement No. 2-58, *supra.* For costing purposes a 36,000-pound rate at the Ex Parte No. 305-A level was used.

Revenue on two of the three sample movements failed to cover variable costs; revenue on none of the three movements covered fully allocated costs.

B. Rebuttal to eastern railroads' opening statement.—Only one rebuttal statement was submitted in response to the opening statement of the eastern railroads.

1. *Rebuttal of SHTA.*—SHTA objects to the cost presentation submitted in verified statement No. 10. SHTA questions the validity of using Rail Form A average cost in light of the comments made in the opening statement of the SPS, and takes exception to the indexing of costs to a 1975 level, which SHTA claims was not the level asked for by the Commission. (The Commission had requested the rates be at the Ex Parte No. 305-A rate level.) In addition, SHTA questioned the authenticity of the breakdown for costs for the various factors listed in appendix B of verified statement No. 10, but did not clarify this point.

C. *Surrebuttal by eastern railroads.*—The eastern railroads in their surrebuttal maintains that the use of some kind of averages in Rail Form A costing is inevitable and that the revenue-cost comparisons presented in verified statement No. 10 are based on actual operating conditions, such as actual revenue, weight, miles, number of interchanges, and number of intermediate switches.

It further points out that the breakdown of costs in its appendix B, to which SHTA objects, is simply a listing of the various unit costs along with their sources.

D. *Coordinator's conclusions.*—The railroads established a standardized format for submission of movement data in all three verified statements but did not explain what sampling procedures, if any, they used in selecting the movements. They merely indicate that the movements are "representative" of movements handled by the eastern railroads during 1974. However, we note that none of the rebuttal statements raised this issue.

We cannot verify the cost and special study data in verified statements Nos. 9 and 10 because neither the Rail Form A application nor other pertinent supporting data used in computing the costs were made part of the record. Even though we cannot test their accuracy, the development of Rail Form A costs for the C&O/B&O is acceptable. Specific information relating solely to the involved railroad is preferable to regional averages where such specific information reflects the traffic in question.

We were unable to develop territorial average costs for the 15 movements shown in verified statement No. 10 because neither the minimum or actual shipment weights, nor the miles of haul were shown.

The method employed in updating the costs to a May 1, 1975, level is also acceptable. While the statistics used in updating the costs were not shown, the resulting update ratios of 1.11 for the C&O and 1.12 for the B&O do not appear unreasonable in comparison to update ratios developed by the Commission for internal use for the eastern region.

A comparison between the eastern railroads' costs, indexed to a May 1, 1975, level with our costs, computed in a later section for the same movements, reveal only minor differences in costs. For example, according to our computations, carload revenue fails to cover variable cost on 8 of the 16 movements. The eastern railroads reach the same conclusion on 9 of the 16 movements. This difference is partly due to the fact that our costs were updated to an average 1974 level, while the eastern railroads' costs were updated to a May 1, 1975, level.

Since the proper costs for comparison with rates at the Ex Parte No. 305-A level would be at the 1974 level, costs developed at the May 1, 1975, level are overstated.

The eastern railroads observed that a number of the movements were noncompensatory, based on Penn Central's division of revenue. However, the only way to measure the compensativeness of a rate is to compare the revenues and costs for the entire movement rather than a portion of the movement, as the eastern railroads has done.

Because four of the cost-revenue comparisons shown by the eastern railroads were for the connecting line portion of movements the possibility exists that any revenue deficiency, failure of revenue to adequately cover variable and fully allocated costs, or excess of revenue over cost, may be due to division of revenues between railroads rather than the overall revenue level.

Three of the movements costed using regional costs in verified statement No. 10 were also discussed in verified statement No. 4. However, the statements indicate some confusion regarding minimum weights. Verified statement No. 10 used a lading weight of 36,000 pounds, based on the minimum weight shown in the tariff. Verified statement No. 4 states that there are two minimum weights (36,000 and 60,000 pounds) under which traffic moves, and that the 36,000-pound rate was virtually never used for the three movements in question. Moreover, while the eastern railroads used actual loading weights of 18 tons for the three movements in its computations in verified statement No. 10, they state in verified statement No. 4 that the actual loadings on the three movements were 55, 30, and 60 tons. The eastern railroads, therefore, overstated costs by using 16 tons for each of the three movements.

We used the actual weights from verified statement No. 4 in our cost calculations for these three movements. The results of these cost computations are shown in table 48 below.

TABLE 48

Comparison of revenue and cost based on the Commission's 1973 territorial average costs, updated to a 1974 level, utilizing the actual loading weights indicated in verified statement No. 4

Origin	Destination	Actual weight per car	Rate per net ton	Variable cost per net ton	Fully allocated cost per net ton (ton and ton-mile)
		Pounds			
Roger, W. Va	Fulton, Va	110,000	$13.60	$7.74	$9.58
Costigan, Maine	Albany, N.Y	60,000	15.00	13.07	16.05
Eagle Lahe, Minn	Nashua, N.H	120,000	16.00	8.02	11.07

These cost calculations based on the actual loading weights indicate the revenue exceeds variable costs on all three movements. Revenue exceeds fully allocated costs on two of the three movements. On the third movement, revenue is only slightly below fully allocated costs. In comparison, the eastern railroads had shown the revenue on all three movements to be below fully allocated costs, and below variable costs on two of the three movements.

This disparity between the eastern railroads' calculations and our calculations is due to the difference in calculating the weight of each shipment and to the fact that the eastern railroads' costs were updated to a May 1, 1975, level whereas our costs were updated to an average 1974 level. As noted above, the proper costs for comparison with rates at the Ex Parte No. 305-A level would be at the 1974 level. Thus, costs developed by the eastern railroads, at the May 1, 1975, level, are overstated.

This disparity in results is due to both the difference in the weight of each shipments and to the difference in cost updates. The eastern railroads costs were updated to a May 1, 1975, level, although the proper cost level for comparison with rates at the Ex Parte No. 305 level would be the 1974 cost level. Thus, the eastern railroads' 1975 level costs were also overstated.

We agree with the eastern railroads' response to SHTA's criticism of the use of Rail Form A average costs in verified statement No. 10. The use of averages of some kind in Rail Form A costing is inevitable. As noted earlier, more precise costs can be constructed for a specific commodity with known characteristics which are different from the average, by using Rail Form A based on the services actually accorded these shipments. Although we were unable to verify the costs for the 15 movements submitted in verified statement No. 10, the eastern railroads reportedly developed costs based on specific information related solely to these movements.

As we stated above, rates at the Ex Parte No. 305-A level should be compared with costs at the 1974 level. Costs indexed to a May 1, 1975, level, such as those the eastern railroads submitted, should be compared with rates at the Ex Parte No. 310-A level. Nonetheless, the methodology employed by the eastern railroads in indexing these costs conforms to the updating procedures outlined in the Commission's statement No. 2-58.

Part 1(C)7: Opening statement submitted on behalf of SHTA rebuttal and surrebuttal

A. *Opening statement.*—SHTA submitted verified statement No. 6.

1. *Representative and/or repetitive movements.*—SHTA submitted 16 movements in response to the Commission's request for representative and/or repetitive carload movements of lumber and lumber products. SHTA does not state on what basis it selected

these movements, beyond stating that the movements consist of several types of rates being used by SHTA members.

2. *Revenue cost relationships on lumber and lumber products.*—SHTA introduced no revenue-cost relationships or other cost evidence relating to lumber and lumber products.

B. *Rebuttal to SHTA's opening statement.*—None of the statements contained any rebuttal testimony relating to cost evidence.

C. *Surrebuttal by SHTA.*—SHTA did not file a surrebuttal statement.

D. *Coordinator's conclusions.*—There is no way to attest to the representativeness of the movements presented by SHTA because there is no description offered of any sampling procedures followed. However, the rebuttal statements raised no questions regarding this issue.

Part I(C)8: Opening statement submitted on behalf of the southern, railroads rebuttal and surrebuttal.

A. *Opening statement.*—Southern railroads submitted verified statement No. 8.

1. *Representative and/or repetitive movements.*—The southern railroads submitted 135 movements in response to the Commission's order in this investigation requesting freight rates on representative and/or repetitive movements of lumber and lumber products. These movements include both single-line and interline movements originating at points in the southern territory and destined to points in the southern, official, and WTL territories during 1974.

The southern railroads point out that although the preponderance of lumber and lumber products traffic originated by southern carriers moves on incentive rate scales, a significant volume of this traffic moves under normal rates. Therefore, movements within southern territory were selected reflecting both normal and incentive rates.

The southern carriers used the following methodology in selecting the so-called representative and/or repetitive movements:

Within southern territory.—1. Each carrier submitted a minimum of five movements on the so-called normal lumber rates.

2. Each carrier submitted a minimum of five movements on the 40,000-, 60,000-, and 90,000-pound incentive rates.

From southern to official, southwestern, and WTL territories.—1. Each carrier furnished a minimum of five movements from southern to official territory.

2. Each carrier furnished a minimum of 5 movements from southern territory to the West (southwestern and WTL territories).

In addition, the carriers selected movements for varying mileages throughout the distance range in each of the above categories.

2. *Revenue/cost relationships on lumber and lumber products.*—The southern carriers have submitted revenue/cost relationships on territorial movements of specific lumber and lumber products moving within the southern territory and from the southern territory to the official territory for the years 1966, 1969, and 1972. The following four major commodity groups, listed in the STCC, were studied: STCC 242—Lumber and dimension stock, STCC 243—Millwork, veneer, plywood, prefab wood products, STCC 244—Wood containers, and STCC 249—Miscellaneous wood products.

The revenue, traffic, and costs data submitted by the southern railroads was based on an analysis of the Commission's Rail Revenue Contribution Studies[12] for the years 1966, 1969, and 1972. Extractions from these statements were used to derive the revenue/cost relationships on the major commodity groups identified above.

The extracted data for movements from southern to southern are contained in table 49. The purpose of this table is to show the changes that have occurred in the revenue/cost relationships of each of the four commodity groups for the 3 years studied.

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[12] Rail Revenue Contribution Statement No. IS3-71; Rail Revenue Contribution Statement No. IS9-69; and Rail Revenue Contribution Statement No. 153-72.

TABLE 49

Ratio of revenue to variable cost, and other data, by commodity classes, 1966, 1969, 1972
(Source of traffic data: 1-percent waybill sample)

SOUTHERN TO SOUTHERN

	STCC	Carloads	Tons	Average load per car	Average haul per ton	Revenue	Variable cost	Ratio of revenue to variable cost
				Tons	*Miles*			*Percent*
1966	242	418	18,680	44.7	317	$83,112	$59,036	140.8
	243	83	3,121	37.6	400	17,964	14,186	126.6
	244	68	1,299	19.1	416	12,275	9,230	133.0
	249	107	3,590	33.6	346	23,353	15,009	155.6
1969	242	412	18,928	45.9	339	95,644	74,987	127.5
	243	143	6,214	43.5	403	37,901	32,053	118.2
	244	57	1,127	19.8	408	10,692	9,814	108.9
	249	86	3,150	36.6	386	21,738	16,566	131.2
1972	242	469	21,856	46.6	299	118,703	93,660	126.7
	243	190	9,058	47.7	312	58,715	43,752	134.2
	244	42	876	20.9	453	9,807	9,538	102.8
	249	119	5,576	46.9	383	39,171	28,045	139.7

The southern railroads point out that the revenue to cost ratios declined for all four commodity groups from 1966 to 1969. The amount of the declines ranged from 7 to 18 percent. Three of the commodity groups (STCC 242, 244, and 249) had revenue-to-cost ratios which were 10 to 23 percent lower in 1972 than in 1966. The only commodity group to record an increase in its revenue to costs ratios, 1972 over 1966, was STCC 243 (Millwork, Veneer, Plywood, Prefab wood products). This increase was attributed to the "substantial" increase recorded in the average loading weight per car from 37.6 tons in 1966 to 47.7 tons per car in 1972. The southern railroads note that the revenue to cost ratios of commodity groups STCC 242 (Lumber and Dimension Stock), and STCC 244 (Wood Containers) also continued to decline from 1969 to 1972.

Table 50 reflects the changes that have occurred in the revenue-to-cost relationships on traffic handled from the southern territory to the official territory.

TABLE 50

Ratio of revenue to variable cost, and other data, by commodity classes, 1966, 1969, 1972
(Source of traffic data: 1-percent waybill sample)

SOUTHERN TO OFFICIAL TERRITORY

	STCC	Carloads	Tons	Average load per car	Average haul per ton	Revenue	Variable cost	Ratio of revenue to variable cost
				Tons	*Miles*			*Percent*
1966	242	193	7,654	39.7	762	$83,276	$58,808	141.6
	243	24	859	35.8	807	10,902	7,705	141.5
	244	101	1,862	18.4	814	29,631	26,949	110.0
	249	128	4,203	32.8	814	57,327	38,216	150.0
1969	242	142	6,160	43.4	722	69,362	53,965	128.5
	243	61	2,635	43.2	801	32,824	25,339	129.5
	244	95	1,831	19.3	803	30,204	32,767	92.2
	249	133	4,732	35.6	746	62,633	47,703	131.3
1972	242	132	6,276	47.5	779	88,403	65,378	135.2
	243	74	3,595	48.6	807	55,711	39,305	141.7
	244	63	1,156	18.3	832	25,163	26,980	93.3
	249	128	5,528	43.2	740	82,671	59,807	138.2

The southern railroads' analysis of this traffic indicates that from 1966 to 1969 the revenue to cost relationships declined for all four of the commodity groups studied. The amount of the decline in the revenue-to-cost ratios ranged from 8 to 16 percent, which is comparable to the percentage declines for movements within the southern territory. While the ratios of revenue to variable costs of all four commodity groups rose from 1969 to 1972, none of the group's ratios exceeded those recorded in 1966. Further, the ratios for STCC 242, 244, and 249 were still 5 to 15 percent lower in 1972 than in 1966.

The southern railroads state that these declining trends in the revenue-to-cost relationships on the subject traffic moving within the South and from the South to official territory raise serious questions as to the measure of the ratios in subsequent years. This question is especially noteworthy in view of what the southern railroads term as "enormous" increases in fuel, material, and wage costs that have been experienced by the carriers since 1972.

Further, the southern railroads contend that the pattern of declining trends in the ratios of revenue to variable costs also casts doubt on the ability of the rate structure to generate sufficient revenues to satisfy the future revenue requirements of the carriers.

The southern railroads note that the parties in this proceeding have been requested by the Coordinator to comment on the various charts appended to the Commission's order of March 14, 1975. These charts depict rates and costs for movements of various lumber products, from and to certain territories, for the years 1966 and 1969.

The southern carriers question the significance of historical representations for the years 1966 and 1969, especially in 1975. Moreover, they observe that the costs contained in the charts were calculated using short-line mileages, the use of which is questionable in light of the Commission's longstanding practice of providing an allowance for mileage circuity based on car types and the type of movement (single or joint line). Southern argues that an allowance for mileage circuity would have the effect of increasing the costs shown in each of the charts.

In order to show the importance of mileage circuity in computing costs, the southern railroads calculated the mileage circuity of the 135 lumber and lumber-products movements submitted as being representative and repetitive movements. The calculations indicate that the weighted average actual route distance of the 135 movements exceeds the weighted average short-line distance for the same movements by 27 percent.

B. *Rebuttal to southern railroads' opening statement.*—Only two of the several rebuttal statements submitted in response to the southern railroads' opening statement contained rebuttal testimony relating to cost evidence.

1. *Rebuttal of SHTA.*—SHTA questions the validity of the declining trends in the revenue/cost relationships shown by the southern railroads for the four lumber commodity groups. It points out that the revenue/cost comparisons are based on statistics derived from the 1-percent waybill studies for the years 1966, 1969, and 1972 and from the Commission's Rail Form A average service unit costs for those respective years. However, the opening statement of the SPS raises considerable doubt concerning the validity of this data. For example, SPS notes the restrictions involved in using the 1-percent waybill study, and the limitations associated with using Rail Form A average service unit costs.

2. *Rebuttal of SFPA.*—SFPA states that the conclusions drawn by the southern railroads as to an alleged change in the ratio of revenue to variable costs are meaningless. SFPA indicates that in order for a change to be significant, a proper standard of comparison as to reasonable earnings would have to be determined. It points out that the revenue/cost comparisons shown by the southern railroads apply to rather broad commodity groups, therefore, the results are not necessarily applicable to specific lumber and lumber products. For example, STCC 244 (Wood Containers) does not have the average load characteristics of other lumber and lumber products.

C. *Surrebuttal by southern railroads.*—The southern railroads submitted very little surrebuttal in the way of cost evidence. It merely points out that, between 1966 and 1972, expenses per car for the handling of lumber and dimension stock rose at a faster rate than revenues. For example, based on the Commission's Burden Study, variable costs per car on lumber and dimension stock increased from $209.58 in 1966 to $322.73 in 1972, or a 54-percent increase for the shipments handled South to South and South to official combined. In comparison, revenue per car increased only 48 percent.

The southern railroads state that the above comparison was made in response to the suggestion by SFPA that the southern railroads separate lumber and dimension stock from the other lumber and forest products because the latter has lighter loading capabilities. The southern railroads indicate that while lumber and dimension stock has a heavier loading capability, which constitutes a more favorable transportation condition, the expenses per car on this commodity rose at a faster rate than revenues between 1969 and 1972 on the other lighter loading commodities.

D. *Coordinator's conclusions.*—Our computation of variable and fully allocated costs for the so-called representative movements submitted by the southern carriers will appear in a later section of this report. While the southern railroads outlined the methodology used in selecting these movements, it failed to specify what sampling procedures, if any, were employed. Therefore, there is no way of knowing if the movements selected are in fact representative of the universe of lumber and lumber products for the territories sampled in 1974. Nonetheless, no questions have been raised in any of the pleadings as to the representative nature of these movements.

With respect to the revenue-cost relationships shown by the southern railroads it should be noted that the southern railroads have merely used the results of the Commission's Burden Study to illustrate its contention of declining revenue trends since 1966. The accuracy of the alleged changes that have occurred in the revenue-cost relationships since 1966 have been verified for each of the four commodity groups shown by the southern railroads by a check of the 1966, 1969, and 1972 Burden Studies.

Although the southern railroads correctly attribute the increase in the revenue-cost relationship, observed for STCC 243 (millwork, veneer, plywood, et cetera), between 1966 and 1972, to a "substantial" increase in the average loading weight per car, no mention is made of the more "substantial" increase in lading weight for STCC 249—Miscellaneous Wood Products. For the same period the lading weight for this commodity increased from 33.6 tons in 1966 to 46.9 tons in 1972, while the revenue/cost relationship declined.

We agree with Southern that the Burden Study shows declining trends in the revenue-to-variable-cost ratios on lumber and lumber products. However, despite the observed declines in the revenue contribution, revenue still exceeded variable costs in all instances on movements handled within southern territory for both years 1969 and 1972. On movements from the South to official territory, revenue exceeds variable costs on 3 of the 4 commodity groups in both 1969 and 1972. Only on STCC 244 (Wood Containers) did revenue fall slightly below variable costs in 1969 and 1972.

The ratio of revenue to variable cost on movements handled from the South to official territory increased in all four commodity groups, 1972 over 1969. The same situation holds true, in part, with respect to traffic handled within the southern territory. Two of the four commodity groups, STCC 243 and STCC 249 had higher revenue-to-cost ratios in 1972 than in 1969.

In summary, while the revenue to variable cost ratios have declined generally from those observed for 1966, this downward trend abated in 1972 with some measure of increase. Thus, the southern railroads' concern regarding the ability of the rate structure to generate sufficient revenues in the future appears unwarranted.

As to the southern railroads' comment regarding the significance of the various charts appended in the Commission order of March 14, 1975, we agree that information more current than 1966 and 1969 would have been more meaningful. However, at the time the report was prepared, the only traffic and revenue data available to the Commission was that found in the 1-percent waybill studies for the years 1966 and 1969. Moreover, these charts were intended to show only a general relationship between rates and costs.

We further agree with the southern railroads that no allowance for circuity over the short-line miles was considered in that report. Thus, the costs could be understated by some unknown amount to the extent that the actual route of movement miles may exceed the short-line miles.

SHTA in its rebuttal statement notes that considerable doubt has been raised in the opening statement of SPS concerning the validity of Rail Form A *average* costs and the 1-percent waybill studies. There is a basic misconception on the part of many, including SPS, concerning the Commission's Rail Form A cost formula and the service unit cost it developed. First, Rail Form A can be and often is applied for an individual carrier, a group of carriers or a territorial group of carriers. The costs developed by an application of Rail Form A reflect territorial operating conditions when the expenses and statistics of a group of railroads are used, and system operating conditions when the total expenses and statistics of a single railroad are used. Whether they be individual carrier costs, costs for a group of carriers or territorial costs, as published by the Commission, they are all *average* costs. These costs are not intended to reflect the actual operating conditions that may exist on specific movements. Nevertheless, such figures are of great value in measuring the general level of costs in rate cases covering large segments of traffic, as was true in the case of the Commission's Burden Study.

SPS indicated that its purpose in making the observations cited by SHTA was to improve the current Rail Form A costing procedures not to condemn it or suggest its abolition.

With respect to the 1-percent waybill studies, it is generally recognized that infirmities in the sampled traffic data exist. However, these infirmities do not materially affect the intercommodity revenue-cost relationships depicted in the Burden Study.

We agree with SFPA that an appropriate level of contribution would first have to be determined in order for a decline in the revenue contribution to be significant. We also agree with SFPA that the comparisons shown by the southern railroads reflect broad commodity groups. Consequently, the results may not be applicable to specific lumber and lumber products. However, SFPA's example pertaining to average load characteristics does not necessarily support its argument.

The exact meaning of the southern railroads' surrebuttal is unclear. The southern railroads appear to be pointing out that weight or loading capabilities are only one factor which would affect the revenue-cost comparisons. If this be the case, we would agree with the southern railroads that the mere fact that one commodity has a different loading capability would not necessitate an individual revenue-cost showing.

Part I(C)9: The Commission's Rail Revenue Contribution Study by commodity and territory for the years 1966, 1969, and 1972

The Commission has published a series of Rail Revenue Contribution or Burden Studies as part of its investigation of the railroad freight rate structure. The first study covered the year 1966 and was released in October 1971 as statement No. 1S3-71. The second, released in October 1973 as statement No. 1S3-69, covered the year 1969. The last study covering the year 1972 was released as statement No. 1S3-72 in April 1975.

Generally, the results of the 1972 study may be compared with the results of the 1966 and 1969 studies to measure shifts among commodities in their respective contribution to the transportation burden. The rail revenue contribution for lumber and lumber products for the year 1972 was constructed using the same methods and procedures employed in the 1966 and 1969 studies.

The term "revenue contribution" used in these studies refers to the amount by which carload revenues from the rates structures in effect for the years exceed or fail to meet variable costs. Revenue contribution is a function of rates, costs, and volume. It reflects not only cost factors, but also the influence of demand for transportation, a value-of-service which is independent of direct cost.

A breakdown of the 1972, 1969, and 1966 totals for lumber and lumber products by territorial movements is set forth in table 51. The most significant information is in columns (10) and (11), which show the revenue cost relationships separately for each commodity group by territorial movements. Column (10) shows the ratio of revenue to variable cost whereas column (11) indicates the ratio of revenue to fully allocated cost. This table also shows, by commodity and by territorial movements, the average load (in tons), the average haul (in short-line miles), the revenue, the variable cost, and the contribution to the transportation burden. It reflects the relative share of the burden contributed by each commodity class both for the United States as a whole and separately for each territorial movement. Items in the contribution column marked "DEF" indicate the deficit contribution, i.e., the amount by which the revenue from a given commodity movement failed to cover the variable costs.

A comparison of the 1972, 1969, and 1966 results for the lumber and lumber products identified in table 51, reveals the following facts.

The majority of all lumber and lumber related traffic both originated and terminated in either the WTL or southern territory. For example, in 1972, 45 percent of 8,541 of the total 18,989 carloads of lumber and lumber products reported in the waybill study, both originated and terminated in the WTL territory, and 33 percent or 6,282 carloads both originated and terminated in the southern territory. Additionally, 16 percent of the carloads sampled originated and/or terminated in either the WTL or southern territory. In all, 94 percent of the total carloads sampled originated and/or terminated in either the WTL or southern territories in 1972. The same situation also held true with respect to the years 1969 and 1966 where 94 and 91 percent, respectively, of all sample carloads of lumber and lumber products originated and/or terminated in either the WTL or southern territory.

In 1972, 36 percent of all lumber and lumber-related carloads originated in the southern territory and 54 percent in the WTL territory. The percentage of the subject traffic originating in the southern territory decreased slightly from 1966 to 1972, with total carloads decreasing approximately 2 percent during this period. Lumber and lumber related traffic originating in the WTL territory, however, increased approximately 2 percent from 1966 to 1972.

TABLE 51

Comparison of lumber and lumber products—years 1966, 1969, and 1972

1966

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1966
(SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24100	Primary Forest Products (Pulpwood, Logs, Posts, Etc.)*									
	US to US	11,370	582,534	51.2	151	$1,180,108	$1,417,466	$237,353Def	83.3	71.4
	Off to Off	1,240	55,786	45.0	144	126,967	191,047	64,080Def	66.5	56.7
	Sou to Sou	5,392	287,139	59.3	134	487,603	535,642	48,039Def	91.0	77.9
	Wst to Wst	4,532	229,537	50.6	166	514,764	647,731	132,967Def	79.5	67.7
	Off to Sou	8	248	31.0	501	2,332	1,739	593	134.1	116.4
	Sou to Off	40	1,632	40.8	649	16,700	11,614	5,086	143.8	121.1
	Off to Wst	11	482	43.8	328	2,415	2,537	122Def	95.2	82.3
	Wst to Off	43	1,548	36.0	670	15,685	13,575	2,110	115.5	98.5
	Sou to Wst	96	5,885	61.3	125	10,623	11,600	977Def	91.6	77.7
	Wst to Sou	8	277	34.6	655	3,019	1,981	1,038	152.4	128.7
24111	Sawlogs									
	US to US	1,153	42,300	36.7	121	96,498	138,574	42,076Def	69.6	62.2
	Off to Off	52	1,611	31.0	318	11,670	10,084	1,586	115.7	102.4
	Sou to Sou	92	3,433	37.3	170	10,486	9,314	1,172	112.6	98.7

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1966—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1966 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24111	Sawlogs—Continued									
	Wst to Wst	972	36,050	37.1	89	$60,390	$108,579	$48,189Def	55.6	50.0
	Off to Sou	8	248	31.0	501	2,332	1,739	593	134.1	116.4
	Wst to Off	25	803	32.1	682	9,215	7,365	1,850	125.1	107.1
24114	Pulpwood Logs									
	US to US	6,500	353,310	54.4	143	620,521	780,161	159,640Def	79.5	68.0
	Off to Off	910	43,096	47.4	137	88,578	140,166	51,588Def	63.2	55.7
	Sou to Sou	4,029	221,916	55.1	130	348,451	402,112	53,661Def	86.7	74.1
	Wst to Wst	1,453	81,894	56.4	180	169,700	223,014	53,314Def	76.1	64.0
	Sou to Off	10	520	52.0	288	1,901	1,835	66	103.6	87.5
	Off to Wst	10	457	45.7	171	1,279	1,462	183Def	87.5	75.5
	Wst to Off	13	617	47.5	320	2,956	2,592	364	114.0	95.6
	Sou to Wst	75	4,810	64.1	117	7,656	8,980	1,324Def	85.3	72.2
24115	Pulpwood and Other Wood Chips									
	US to US	3,006	162,106	53.9	150	328,019	386,858	58,839Def	84.8	71.9
	Off to Off	263	10,473	39.8	131	22,772	37,417	14,645Def	60.9	54.4
	Sou to Sou	902	48,770	54.1	117	73,894	80,005	6,111Def	92.4	78.5
	Wst to Wst	1,823	101,869	55.9	168	229,886	267,625	37,739Def	85.9	72.3
	Sou to Wst	15	864	57.6	82	1,052	1,415	363Def	74.3	63.6

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1966—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1966 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24200	Lumber and Dimension Stock									
	US to US	4,869	188,836	38.8	1,332	$3,081,973	$2,206,147	$875,826	139.7	113.0
	Off to Off	254	9,552	37.6	337	61,535	51,958	9,577	118.4	102.4
	Sou to Sou	418	18,680	44.7	317	83,112	59,036	24,076	140.8	117.8
	Wst to Wst	2,490	95,995	38.6	1,138	1,451,975	959,517	492,458	151.3	122.0
	Off to Sou	51	2,439	47.8	635	21,177	14,408	6,769	147.0	120.6
	Sou to Off	193	7,654	39.7	762	83,276	58,808	24,468	141.6	118.0
	Off to Wst	20	758	37.9	1,405	13,427	10,062	3,365	133.4	108.8
	Wst to Off	1,138	42,282	37.2	2,370	1,091,606	867,461	224,145	125.8	101.5
	Sou to Wst	23	756	32.9	1,160	11,930	8,071	2,859	147.8	122.1
	Wst to Sou	282	10,720	38.0	2,207	263,935	176,826	87,109	140.3	119.3
24211	Lumber									
	US to US	4,119	163,312	39.6	1,447	2,865,629	2,024,821	840,808	141.5	114.0
	Off to Off	152	6,721	41.3	360	39,237	33,180	6,057	118.3	101.1
	Sou to Sou	260	12,925	49.7	368	64,320	42,611	21,709	150.9	124.6
	Wst to Wst	2,172	85,292	39.3	1,202	1,359,897	881,101	478,796	154.3	124.1
	Off to Sou	45	2,192	48.7	670	19,758	13,431	6,327	147.1	120.4

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1966—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1966
(SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24211	Lumber—Continued									
	Sou to Off	130	5,314	40.9	734	$54,067	$39,126	$14,941	138.2	115.1
	Off to Wst	16	605	37.8	1,184	9,663	7,369	2,294	131.1	108.4
	Wst to Off	1,054	39,646	37.6	2,438	1,050,145	828,781	221,364	126.7	102.0
	Sou to Wst	20	676	33.8	1,146	10,461	6,925	3,536	151.1	124.1
	Wst to Sou	270	10,391	38.5	2,233	258,081	172,297	85,784	149.8	119.5
24300	Millwork, Veneer, Plywood, Prefab Strtl Wood Prd									
	US to US	1,887	72,514	38.4	1,788	1,515,920	1,114,057	401,863	136.1	109.8
	Off to Off	61	1,653	27.1	403	20,048	15,813	4,235	126.8	114.9
	Sou to Sou	83	3,121	37.6	400	17,964	14,188	3,776	126.6	108.3
	Wst to Wst	819	32,198	39.3	1,190	510,021	344,904	165,117	147.9	119.7
	Off to Sou	15	415	27.7	841	7,758	5,191	2,567	149.5	131.6
	Sou to Off	24	859	35.8	807	10,902	7,705	3,197	141.5	119.6
	Off to Wst	17	457	26.9	1,788	13,666	9,655	4,011	141.5	120.1
	Wst to Off	646	25,223	39.0	2,600	702,516	554,135	148,381	126.8	101.7
	Sou to Wst	15	424	28.3	1,716	13,244	7,701	5,543	172.0	145.7
	Wst to Sou	207	8,164	39.4	2,604	219,801	154,765	65,036	142.0	112.9

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1966—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1966
(SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24321	Veneer and Plywood									
	US to US	1,609	66,170	41.1	1,809	$1,377,847	$991,201	$386,646	139.0	111.3
	Off to Off	34	1,183	34.8	321	10,236	7,491	2,745	136.6	120.9
	Sou to Sou	79	3,058	38.7	406	17,614	13,788	3,826	127.7	109.0
	Wst to Wst	718	29,885	41.6	1,187	467,796	309,528	158,268	151.1	121.6
	Off to Sou	10	340	34.0	867	5,524	3,374	2,150	163.7	139.2
	Sou to Off	21	796	37.9	777	9,725	6,641	3,084	146.4	123.1
	Off to Wst	14	404	28.9	1,816	10,807	8,128	2,679	133.0	111.7
	Wst to Off	539	22,671	42.1	2,669	646,268	494,217	152,051	130.8	104.2
	Sou to Wst	13	372	28.6	1,644	8,993	6,382	2,611	140.9	119.1
	Wst to Sou	181	7,461	41.2	2,654	200,884	141,652	59,232	141.8	112.3
24400	Wooden Containers*									
	US to US	326	6,030	18.5	726	93,008	75,745	17,263	122.8	109.6
	Off to Off	44	717	16.3	436	10,501	8,684	1,817	120.9	111.2
	Sou to Sou	68	1,299	19.1	416	12,275	9,230	3,045	133.0	119.6
	Wst to Wst	60	1,216	20.3	679	17,373	12,631	4,742	137.5	120.1
	Off to Sou	6	75	12.5	811	1,986	1,457	529	136.3	125.6

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1966—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1966
(SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24400	Wooden Containers*—Continued									
	Sou to Off	101	1,862	18.4	814	$29,631	$26,949	$2,682	110.0	98.7
	Wst to Off	20	363	18.2	1,198	7,911	7,101	810	111.4	98.4
	Sou to Wst	15	317	21.1	1,443	7,653	5,780	1,873	132.4	115.2
	Wst to Sou	9	100	11.1	1,177	2,811	2,302	509	122.1	111.1
24900	Miscellaneous Wood Products									
	US to US	1,068	34,140	32.0	963	468,648	348,584	120,064	134.4	112.4
	Off to Off	175	4,890	27.9	365	38,437	35,395	3,042	108.6	96.4
	Sou to Sou	107	3,590	33.6	346	23,353	15,009	8,344	155.6	134.1
	Wst to Wst	442	14,218	32.2	834	169,708	128,555	41,153	132.0	110.1
	Off to Sou	11	193	17.5	970	5,439	3,358	2,081	162.0	145.8
	Sou to Off	128	4,203	32.8	814	57,327	38,216	19,111	150.0	127.4
	Off to Wst	15	344	22.9	1,681	12,235	7,668	4,567	159.6	137.6
	Wst to Off	113	3,897	34.5	2,155	96,934	76,409	20,525	126.9	103.2
	Sou to Wst	38	1,195	31.4	1,244	22,082	16,046	6,036	137.6	117.1
	Wst to Sou	39	1,610	41.3	2,425	43,133	27,928	15,205	154.4	122.4

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1969

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1969
(SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24100	Primary Forest Products (Pulpwood, Logs, Posts, Etc.)*									
	US to US	11,718	629,521	53.7	146	$1,343,688	$1,801,638	$457,950Def	74.6	64.5
	Off to Off	896	40,979	45.7	159	119,344	185,819	66,475Def	64.2	57.1
	Sou to Sou	6,051	348,641	57.6	125	583,763	750,808	167,045Def	77.8	66.9
	Wst to Wst	4,619	233,035	50.5	166	591,069	821,043	229,974Def	72.0	62.2
	Off to Sou	5	162	32.4	628	2,080	1,545	535	134.6	116.3
	Sou to Off	53	2,085	39.3	558	19,238	16,495	2,743	116.6	99.8
	Wst to Off	18	673	37.4	1,164	10,397	9,246	1,151	112.4	93.1
	Sou to Wst	58	3,250	56.0	170	10,264	9,616	648	106.7	91.4
	Wst to Sou	14	544	38.9	773	5,346	4,838	508	110.5	92.4
24111	Sawlogs									
	US to US	1,165	42,232	36.3	111	88,779	167,501	78,722Def	53.0	47.9
	Off to Off	26	933	35.9	226	5,895	5,723	172	103.0	92.1
	Sou to Sou	83	3,110	37.5	192	10,244	11,123	879Def	92.1	81.1
	Wst to Wst	1,028	37,082	36.1	86	61,429	141,298	79,869Def	43.5	39.5
	Wst to Off	13	479	36.8	809	5,686	5,248	438	108.3	91.3

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1969—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1969 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24114	Pulpwood Logs									
	US to US	6,700	385,340	57.5	132	$700,905	$989,216	$288,311Def	70.9	61.3
	Off to Off	700	32,980	47.1	154	84,010	145,861	61,851Def	57.6	51.2
	Sou to Sou	4,340	257,275	59.3	122	395,610	541,743	146,133Def	73.0	62.9
	Wst to Wst	1,605	92,005	57.3	152	212,565	292,684	80,119Def	72.6	62.4
	Sou to Off	5	205	41.0	288	855	1,130	275Def	75.7	66.6
	Sou to Wst	50	2,875	57.5	147	7,865	7,798	67	100.9	86.6
24115	Pulpwood and Other Wood Chips									
	US to US	3,298	181,727	55.1	161	429,863	533,337	103,474Def	80.6	68.9
	Off to Off	159	6,544	41.2	160	26,734	30,916	4,182Def	86.5	77.2
	Sou to Sou	1,294	75,893	58.6	109	119,006	146,120	27,114Def	81.4	69.8
	Wst to Wst	1,819	98,171	54.0	198	278,563	350,071	71,508Def	79.6	67.7
	Sou to Off	20	836	41.8	255	2,758	3,828	1,070Def	72.0	62.6
24200	Lumber and Dimension Stock									
	US to US	4,492	181,985	40.5	1,283	3,072,733	2,405,567	667,166	127.7	104.2
	Off to Off	238	9,729	40.9	309	63,645	60,107	3,538	105.9	92.1

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1969—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1969
(SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24200	Lumber and Dimension Stock—Continued									
	Sou to Sou	412	18,928	45.9	339	$95,644	$74,987	$20,657	127.5	107.4
	Wst to Wst	2,359	94,957	40.3	1,078	1,466,370	1,051,044	415,326	139.5	113.6
	Off to Sou	65	3,577	55.0	528	30,871	21,861	9,010	141.2	117.1
	Sou to Off	142	6,160	43.4	722	69,362	53,965	15,397	128.5	107.8
	Off to Wst	16	595	37.2	1,591	13,555	11,125	2,430	121.8	101.1
	Wst to Off	998	37,873	37.9	2,365	1,044,595	915,994	128,601	114.0	92.7
	Sou to Wst	15	630	42.0	863	8,386	6,461	1,925	129.8	109.6
	Wst to Sou	247	9,536	38.6	2,547	280,305	210,023	70,282	133.5	107.4
24211	Lumber									
	US to US	3,825	158,865	41.5	1,395	2,873,170	2,223,204	649,966	129.2	105.0
	Off to Off	130	6,340	48.8	334	40,190	35,834	4,356	112.2	95.6
	Sou to Sou	275	13,800	50.2	391	75,525	57,777	17,748	130.7	108.9
	Wst to Wst	2,065	84,680	41.0	1,150	1,385,770	975,628	410,142	142.0	115.3
	Off to Sou	55	3,150	57.3	523	26,080	18,869	7,211	138.2	114.4
	Sou to Off	100	4,555	45.6	753	48,565	39,756	8,809	122.2	101.8

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1969—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1969
(SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24211	Lumber—Continued									
	Off to Wst	15	570	38.0	1,525	$12,730	$10,115	$2,615	125.9	104.2
	Wst to Off	935	35,955	38.5	2,404	1,002,690	874,939	127,751	114.6	93.0
	Sou to Wst	10	490	49.0	644	5,260	3,493	1,767	150.6	125.5
	Wst to Sou	240	9,325	38.9	2,575	276,360	206,793	69,567	133.6	107.5
24300	Millwork, Veneer, Plywood, Prefab Strtl Wood Prd									
	US to US	1,846	74,605	40.4	1,579	1,482,123	1,183,023	299,100	125.3	101.7
	Off to Off	55	1,831	33.3	397	17,182	18,163	981Def	94.6	84.9
	Sou to Sou	143	6,214	43.5	403	37,901	32,053	5,848	118.2	100.9
	Wst to Wst	807	32,894	40.8	1,124	533,560	389,796	143,764	136.9	111.8
	Off to Sou	9	277	30.8	660	4,748	3,126	1,622	151.9	133.4
	Sou to Off	61	2,635	43.2	801	32,824	25,339	7,485	129.5	108.5
	Off to Wst	9	265	29.4	1,515	6,872	5,752	1,120	119.5	102.2
	Wst to Off	551	22,257	40.4	2,523	644,623	543,399	101,224	118.6	95.3
	Sou to Wst	25	843	33.7	1,214	16,301	12,276	4,025	132.8	112.4
	Wst to Sou	186	7,389	39.7	2,397	188,112	153,119	34,993	122.9	98.7

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1969—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1969 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24321	Veneer and Plywood									
	US to US	1,598	68,434	42.8	1,572	$1,342,789	$1,042,417	$300,372	128.8	103.9
	Off to Off	32	1,380	43.1	310	9,122	9,288	166Def	98.2	86.3
	Sou to Sou	138	6,046	43.8	397	35,832	30,634	5,198	117.0	99.7
	Wst to Wst	710	30,493	42.9	1,113	485,493	344,680	140,813	140.9	114.2
	Off to Sou	6	198	33.0	643	2,925	1,963	962	149.0	129.0
	Sou to Off	58	2,586	44.6	799	31,933	24,270	7,663	131.6	109.8
	Off to Wst	7	231	33.0	1,481	5,226	4,498	728	116.2	98.1
	Wst to Off	472	20,290	43.0	2,563	593,623	487,367	106,256	121.8	97.3
	Sou to Wst	22	772	35.1	1,129	13,335	10,292	3,043	129.6	109.3
	Wst to Sou	153	6,438	42.1	2,399	165,300	129,425	35,875	127.7	102.0
24400	Wooden Containers*									
	US to US	291	6,064	20.8	979	105,456	101,096	4,360	104.3	91.9
	Off to Off	21	334	15.9	264	3,978	4,398	420Def	90.5	85.1
	Sou to Sou	57	1,127	19.8	408	10,692	9,814	878	108.9	98.8
	Wst to Wst	72	1,825	25.3	1,273	33,887	29,100	4,787	116.5	98.1
	Sou to Off	95	1,831	19.3	803	30,204	32,767	2,563Def	92.2	83.5

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1969—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1969 (SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24400	Wooden Containers*—Continued									
	Off to Wst	5	69	13.8	1,759	$4,316	$3,191	$1,125	135.3	124.0
	Wst to Off	12	227	18.9	1,906	5,910	7,490	1,580Def	78.9	69.3
	Sou to Wst	18	408	22.7	1,448	9,428	9,000	428	104.8	92.0
	Wst to Sou	9	232	25.8	1,916	6,579	4,919	1,660	133.7	112.2
24900	Miscellaneous Wood Products									
	US to US	1,069	39,370	36.8	1,104	619,089	482,302	136,787	128.4	106.0
	Off to Off	163	4,913	30.1	364	46,113	42,723	3,390	107.9	96.2
	Sou to Sou	86	3,150	36.6	386	21,738	16,566	5,172	131.2	113.1
	Wst to Wst	422	15,886	37.6	1,036	230,398	178,004	52,394	129.4	106.2
	Off to Sou	12	316	26.3	886	6,233	4,256	1,977	146.5	127.1
	Sou to Off	133	4,732	35.6	746	62,633	47,703	14,930	131.3	112.2
	Off to Wst	10	318	31.8	1,406	7,650	6,003	1,647	127.4	108.1
	Wst to Off	166	6,968	42.0	2,017	171,946	136,638	35,308	125.8	101.2
	Sou to Wst	28	957	34.2	989	16,362	10,867	5,495	150.6	126.6
	Wst to Sou	49	2,130	43.5	2,228	56,016	39,542	16,474	141.7	113.1

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1972

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1972
(SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24100	Primary Forest Products (Pulpwood, Logs, Posts, Etc.)*									
	US to US	10,818	627,263	58.0	155	$1,646,564	$2,020,077	$373,513Def	81.5	62.8
	Off to Off	721	36,172	50.2	147	114,037	173,660	59,623Def	65.7	53.7
	Sou to Sou	5,462	336,105	61.5	129	705,128	804,311	99,183Def	87.7	67.1
	Wst to Wst	4,522	249,216	55.1	186	784,601	1,005,489	220,888Def	78.0	59.8
	Off to Sou	15	530	35.3	545	6,587	5,497	1,090	119.8	98.8
	Sou to Off	25	1,113	44.5	417	10,199	8,203	1,996	124.3	100.3
	Wst to Off	18	849	47.2	631	11,181	9,177	2,004	121.8	97.7
	Sou to Wst	47	2,930	62.3	233	11,850	11,131	719	106.5	81.1
	Wst to Sou	6	238	39.7	587	1,890	2,030	140Def	93.1	73.8
24111	Sawlogs									
	US to US	1,039	39,569	38.1	126	114,379	189,985	75,606Def	60.2	49.6
	Off to Off	37	1,262	34.1	330	14,060	12,041	2,019	116.8	98.9
	Sou to Sou	63	2,610	41.4	193	11,103	10,390	713	106.9	86.7
	Wst to Wst	915	34,796	38.0	99	74,129	156,511	82,382Def	47.4	39.0
	Off to Sou	12	441	36.8	572	5,789	4,585	1,204	126.3	103.4
	Wst to Off	9	345	38.3	746	6,011	4,376	1,635	137.4	110.6

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1972—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1972
(SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24114	Pulpwood Logs									
	US to US	5,786	354,350	61.2	138	$785,934	$1,011,175	$225,241Def	77.7	59.6
	Off to Off	516	26,617	51.6	140	70,837	122,460	51,623Def	57.8	47.2
	Sou to Sou	3,630	229,755	63.3	127	452,621	531,545	78,924Def	85.2	64.9
	Wst to Wst	1,580	94,259	59.7	161	246,684	342,384	95,700Def	72.0	54.7
	Sou to Off	8	411	51.4	433	3,130	2,682	448	116.7	91.4
	Wst to Off	5	373	74.6	173	1,928	1,529	399	126.1	98.3
	Sou to Wst	41	2,676	65.3	178	8,030	8,112	82Def	99.0	73.9
24115	Pulpwood and Other Wood Chips									
	US to US	3,511	214,940	61.2	172	610,567	703,735	93,168Def	86.8	65.7
	Off to Off	162	7,903	48.8	141	27,876	37,551	9,675Def	74.2	60.8
	Sou to Sou	1,436	91,218	63.5	112	169,108	197,490	28,382Def	85.6	65.0
	Wst to Wst	1,899	115,131	60.6	222	410,273	465,237	54,964Def	88.2	66.2
	Sou to Off	7	361	51.6	164	1,221	1,380	159Def	88.5	70.5
24200	Lumber and Dimension Stock									
	US to US	4,540	190,038	41.9	1,355	4,169,971	3,122,749	1,047,222	133.5	103.4
	Off to Off	134	5,264	39.3	399	54,243	47,663	6,580	113.8	93.8

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1972—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1972
(SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24200	Lumber and Dimension Stock—Continued									
	Sou to Sou	469	21,856	46.6	299	$118,703	$93,660	$25,043	126.7	98.8
	Wst to Wst	2,466	102,911	41.7	1,183	2,150,593	1,458,995	691,598	147.4	113.4
	Off to Sou	40	2,289	57.2	659	27,116	18,041	9,075	150.3	114.0
	Sou to Off	132	6,276	47.5	779	88,403	65,378	23,025	135.2	105.8
	Off to Wst	20	845	42.3	1,421	20,990	15,290	5,700	137.3	106.4
	Wst to Off	920	36,200	39.3	2,403	1,244,158	1,074,992	169,166	115.7	90.2
	Sou to Wst	18	907	50.4	975	16,331	9,686	6,645	168.6	128.3
	Wst to Sou	341	13,490	39.6	2,348	449,434	339,044	110,390	132.6	102.2
24211	Lumber									
	US to US	3,796	163,188	43.0	1,482	3,887,138	2,866,228	1,020,910	135.6	104.7
	Off to Off	75	3,543	47.2	451	35,572	30,248	5,324	117.6	94.4
	Sou to Sou	237	13,531	57.1	374	84,140	59,663	24,477	141.0	106.7
	Wst to Wst	2,147	91,069	42.4	1,268	2,034,616	1,352,588	682,028	150.4	115.4
	Off to Sou	34	2,024	59.5	854	23,526	15,541	7,895	151.4	114.3
	Sou to Off	98	4,909	50.1	752	66,534	48,453	18,081	137.3	107.0

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1972—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1972
(SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24211	Lumber—Continued									
	Off to Wst	18	764	42.4	1,438	$19,201	$13,974	$5,227	137.4	106.5
	Wst to Off	846	33,598	39.7	2,455	1,177,992	1,011,858	166,134	116.4	90.6
	Sou to Wst	15	787	52.5	886	13,616	7,671	5,945	177.5	134.9
	Wst to Sou	326	12,963	39.8	2,352	431,941	326,232	105,709	132.4	102.1
24300	Millwork, Veneer, Plywood, Prefab Strtl Wood Prd									
	US to US	2,314	94,615	40.9	1,494	2,280,260	1,722,410	557,850	132.4	102.5
	Off to Off	72	1,915	26.6	486	28,414	29,187	773Def	97.4	84.8
	Sou to Sou	190	9,058	47.7	312	58,715	43,752	14,963	134.2	106.2
	Wst to Wst	1,051	43,487	41.4	1,116	891,999	587,351	304,648	151.9	116.5
	Off to Sou	8	194	24.3	1,064	5,224	4,380	844	119.3	101.9
	Sou to Off	74	3,595	48.6	807	55,711	39,305	16,406	141.7	110.9
	Off to Wst	25	296	11.8	1,538	15,687	13,033	2,654	120.4	106.7
	Wst to Off	622	24,928	40.1	2,492	892,123	755,959	136,164	118.0	91.5
	Sou to Wst	21	715	34.0	966	17,831	10,988	6,843	162.3	132.9
	Wst to Sou	251	10,427	41.5	2,173	314,556	238,455	76,101	131.9	101.0

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1972—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1972
(SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE)—Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24321	Veneer and Plywood									
	US to US	1,934	86,637	44.8	1,484	$2,030,646	$1,477,913	$552,733	137.4	104.9
	Off to Off	33	1,394	42.2	376	14,222	11,781	2,441	120.7	98.8
	Sou to Sou	181	8,916	49.3	310	55,438	41,334	14,104	134.1	105.3
	Wst to Wst	921	40,636	44.1	1,112	820,006	523,674	296,332	156.6	118.8
	Sou to Off	70	3,510	50.1	803	53,393	37,146	16,247	143.7	111.8
	Wst to Off	506	22,284	44.0	2,547	800,069	654,857	145,212	122.2	93.6
	Sou to Wst	15	666	44.4	933	13,249	7,587	5,662	174.6	135.3
	Wst to Sou	200	8,890	44.9	2,167	267,252	195,417	71,835	136.8	103.5
24400	Wooden Containers*									
	US to US	182	3,616	19.9	702	71,139	66,771	4,368	106.5	93.0
	Off to Off	12	196	16.3	452	3,835	3,827	8	100.2	90.4
	Sou to Sou	42	876	20.9	453	9,807	9,538	269	102.8	89.1
	Wst to Wst	38	848	22.3	652	14,852	13,372	1,480	111.1	95.0
	Off to Sou	6	96	16.0	726	2,784	2,235	549	124.6	111.4
	Sou to Off	63	1,156	18.3	832	25,163	26,980	1,817Def	93.3	82.3
	Off to Wst	6	81	13.5	1,489	6,565	4,182	2,383	157.0	142.1
	Sou to Wst	8	192	24.0	801	3,621	3,033	588	119.4	100.8

Comparison of lumber and lumber products—years 1966, 1969, and 1972—Continued

1972—Continued

REVENUE CONTRIBUTION TO BURDEN AND OTHER DATA, BY COMMODITY CLASSES AND TERRITORIAL MOVEMENTS, 1972
(SOURCE OF TRAFFIC DATA: 1-PERCENT WAYBILL SAMPLE) -Continued

STCC (1)	Commodity by territorial movement (2)	Carloads (3)	Tons (4)	Average load per car (5)	Average haul per ton (6)	Revenue (7)	Variable cost (8)	Contribution (9)	Ratio of revenue to variable cost (10)	Ratio of revenue to fully allocated cost (11)
				Tons	*Miles*				*Percent*	*Percent*
24900	Miscellaneous Wood Products									
	US to US	1,135	48,000	42.3	1,088	$926,129	$655,196	$270,933	141.4	109.5
	Off to Off	130	3,577	27.5	396	47,211	42,126	5,085	112.1	96.2
	Sou to Sou	119	5,576	46.9	383	39,171	28,045	11,126	139.7	108.1
	Wst to Wst	464	20,714	44.6	1,034	389,586	251,084	138,502	155.2	117.9
	Off to Sou	10	346	34.6	762	7,367	4,511	2,856	163.3	133.6
	Sou to Off	128	5,528	43.2	740	82,671	59,807	22,864	138.2	109.9
	Off to Wst	9	313	34.8	1,356	13,134	6,983	6,151	188.1	153.4
	Wst to Off	187	7,900	42.2	1,982	240,162	192,099	48,063	125.0	96.9
	Sou to Wst	27	1,139	42.2	982	22,469	14,234	8,235	157.9	124.1
	Wst to Sou	61	2,907	47.7	1,955	84,358	56,307	28,051	149.8	113.0

The vast majority of all lumber and lumber-related carloads sampled for each of the study years terminated in the territory in which they originated. For example, only 3,088, or 16 percent, of the total 18,989 carloads sampled in 1972 for the five major lumber and lumber products commodity groups terminated in a different territory than that of origination.

Comparing the results for 1972, 1969, and 1966 in terms of tonnage handled, it can be seen in table 52 that the combined tonnage for the five major commodity groups increased progressively from 884,054 tons in 1966 to 963,532 tons in 1972, a 9-percent increase. Only one commodity group, STCC 24 400—Wood Containers, recorded a decline in tonnage between 1966 and 1972.

As noted earlier, the five major commodity groups combined number of carloads declined from 19,520 carloads in the 1966 study to 18,989 carloads in 1972. Thus, while the decrease in loadings might lead one to believe that the traffic in lumber and lumber products is declining, the tonnage figures indicate otherwise. This is the result of more efficient loading of cars. For example, table 52 indicates that the average load per car increased from 45.3 tons in 1966 to 50.7 tons in 1972, an increase of 11.9 percent.

TABLE 52

Distribution of tonnage by major commodity groups—lumber and lumber products

STCC	Movement	1966 (Tons)	1969 (Tons)	1972 (Tons)
24 100	U.S. to U.S.	582,534	629,521	627,263
24 200	U.S. to U.S.	188,836	181,985	190,038
24 300	U.S. to U.S.	72,514	74,605	94,615
24 400	U.S. to U.S.	6,030	6,064	3,616
24 900	U.S. to U.S.	34,140	39,370	48,000
	Total tonnage	884,054	931,545	963,532
	Total carloads	19,520	19,416	18,989
	Average tons/car	45.3	48.0	50.7

For each of the five major commodity groups, the average load per car increased from 1966 to 1972. Factors affecting the loadings include the availability of cars, size of cars, and the use of incentive rates to induce loading beyond the minimum weight of the tariff. This implies greater efficiency and a lower cost per ton.

Table 53 shows this increase by major commodity groups and for significant traffic flows within that group. All five groups showed an increase in average loading as well as all major traffic flows within those groups. The largest and most significant increases occurred in the movement of Primary Forest Products (STCC 24100), where the average load increased 13.3 percent, and in the movement of Miscellaneous Wood Products (STCC 24900), where the increase was 32.2 percent.

TABLE 53

Lumber and lumber products increase in car loadings, 1966 to 1972

STCC	Movement	Average load per car			Increase 1972 over 1966
		1966	1969	2972	
		(Tons)	*(Tons)*	*(Tons)*	*(Percent)*
24 100	U.S. to U.S	51.2	53.7	58.0	13.3
	Off to Off	45.0	45.7	50.2	11.6
	Sou to Sou	53.3	57.6	61.5	15.4
	Wst to Wst	50.6	50.5	55.1	8.9
24 200	U.S. to U.S.	38.8	40.5	41.9	8.0
	Wst to Wst	38.6	40.3	41.7	8.0
	Wst to Off	37.2	37.9	39.3	5.6
24 300	U.S. to U.S.	38.4	40.4	40.9	6.5
	Wst to Wst	39.3	40.8	41.4	5.3
	Wst to Off	39.0	40.4	40.1	2.8
24 400	U.S. to U.S.	18.5	20.8	19.9	7.6
29 900	U.S. to U.S.	32.0	36.8	42.3	32.2
	Wst to Wst	32.2	37.6	44.6	38.5

The revenue contribution has declined since 1966 on four of the five major commodity groups depicted in table 50 above. The lone exception was STCC 24400 wood containers which recorded an increase in ratio of revenue to variable costs in 1972. The revenue-to-variable-cost ratios have declined generally from those observed for 1966, but this downward trend appears to have abated in 1969, with some measure of increase recorded in 1972.

Table 54 is a recap of the ratios of revenue to variable costs on intraterritory movements for the five major commodity groups.

TABLE 54

Ratio of revenue to variable costs (percent)
by territory and major commodity codes

Territory	Major commodity groups				
	24100	24200	24300	24400	24900
		Percent			
		1972			
U.S. to U.S	81.5	133.5	132.4	106.5	141.4
Off to Off	65.7	113.8	97.4	100.2	112.1
Sou to Sou	87.7	126.7	134.2	102.8	139.7
Wst to Wst	78.0	147.4	151.9	111.1	155.2
		1969			
U.S. to U.S.	74.6	127.7	125.3	104.3	128.4
Off to Off	64.2	105.9	94.6	90.5	107.9
Sou to Sou	77.8	127.5	118.2	108.9	131.2
Wst to Wst	72.0	139.5	136.9	116.5	129.4
		1966			
U.S. to U.S	83.3	139.7	136.1	122.8	134.4
Off to Off	66.5	118.4	126.8	120.9	108.6
Sou to Sou	91.0	140.8	126.6	133.0	155.6
Wst to Wst	79.5	151.3	147.9	137.5	132.0

The major problem area shown by the revenue-cost comparisons is Primary Forest Products STCC 24100, which failed to cover variable costs for all 3 years. The rates of revenue to variable costs (United States to United States) improved from 74.6 percent in 1969 to 81.5 percent in 1972, but this is still below the 1966 ratio of 83.3 percent.

With few exceptions, the other four commodity groupings within the broad category of lumber and lumber products more than return variable costs. The ratios (United States to United States) for the four major commodity groups are all above 100 for all 3 of the study years, 1966, 1969, and 1972. On three of those four groups, Lumber and Dimension Stock (STCC 24200), Millwork, Veneer, and Plywood (STCC 24300), and Miscellaneous Wood Products (STCC 24900), the ratio of revenue to variable costs (United States to United States) was greater than 120 percent for all 3 study years, indicating a fair contribution on the part of this traffic to constant costs. The final commodity group, Wooden Containers (STCC 24400), showed a deterioration in contribution to constant costs from 1966 to 1972, as its ratio of revenue to variable cost declined from 122.8 percent in 1966 to 106.5 percent in 1972. However, this still indicates that revenue is exceeding variable costs. In addition, the traffic in wooden containers (STCC 24400) constitutes a very small portion of the total lumber traffic, only 1.7 percent of the total U.S. carloads in 1972.

Thus, movements of finished products are, with a very few minor exceptions, more than covering variable costs, and in most instances by healthy margins. But movements of basic raw materials are failing by a wide margin to cover variable costs.

We based the above discussion on the Burden Study results for lumber and lumber products for 1966, 1969, and 1972. In the next section we will provide revenue-cost comparisons for the so-called representative movements furnished by the parties to this proceeding. Some differences between the two studies exist, and we take the position that it is impossible to draw any meaningful comparison between the Burden Study results and the results from the study of the movements submitted by the parties.

First, the Burden study is based upon a 1-percent waybill sample of rail traffic in the United States and implicitly reflects all rail freight traffic on a proportional basis. On the other hand, the movements submitted by the various parties were not, for the most part, based on any sampling procedures. The parties have had the opportunity to contest the representativeness of these movements, but only one statement (SHTA) raised this question without stating why it questioned the accuracy of the movements submitted by the western railroads.

Second, the costs developed in the Burden Study are based on broad averages, while costs developed for the "representative" movements are based on such additional refinements, not used in the Burden Study, as actual route-of-movement miles broken down by regions, weight of individual shipments, number of interchanges, and specific type of shipment.

Also, the revenues and costs for the "representative" movements are at the July 1974 rate and cost level whereas the rates and costs for the latest Burden Study are at the mid-1972 level.

Therefore, we conclude that more weight should be accorded the revenue-cost comparisons for these "representative" movements.

Part 1 (c) 10: Revenue yields and cost of service of representative or repetitive movements

The order of March 14, 1975 requested the parties to provide data concerning representative and/or repetitive rates on lumber and lumber products, reflecting rates at the Ex Parte No. 305-A level. These data were to include: origin, destination, rate, minimum weight, actual loading, carload revenue, actual and short-line distances, and ton-mile earnings based on actual distances. The data provided has been adjusted to reflect statistics on a net-ton basis. Additionally, in order to supplement the record, the Coordinator directed the Commission's Section of Cost and Valuation to supply the Coordinator with adjusted regional average costs for the typical or representative movements of record.

This compilation of data has provided the Commission the opportunity to study the major movements of lumber and lumber products nationwide in depth. With one exception, the issue has not been raised in any of the pleadings as to the actual representative nature of these movements. Although we cannot attest to the representative nature of the movements, we believe that the cost-revenue comparisons for these movements should be accorded relative importance.

The data submitted by the parties limits the accuracy of this picture. We could not develop weighted averages for all particular types of movements because we did not have actual annual use of the involved rates. Simple averages were submitted out of necessity. We also noted minor differences in rates or other input data and developed statistics for each set of data provided in these cases because it was impossible to eliminate these differences. Some parties presented "averages" in lieu of more precise data.

In order to insure the greatest possible accuracy in the evaluation of the data, the movements are compiled by territory of origin, commodity (identified by STCC), and actual car weights. This breakdown allows comparison of similar types of movements on an intraterritory and interterritory basis.

Tables 119A through 128B in appendix B provide computations of variable costs for representative rates on lumber and lumber products, as furnished by the parties in this proceeding. The fully allocated costs are also developed for these movements, with constant costs distributed on three bases: ton and ton-mile, car and car-mile, and dollar bases. We did this to conform with the cost estimates provided in Ex Parte No. 270 (Sub-No. 4) on coal, Sub-

No. 5 on iron ores, and Sub-No. 6 on scrap iron and steel. As noted, the cost estimates provided are for the representative movements of record with the exception of the so-called paper rates. No cost estimates are provided in those instances where there was insufficient information available to prepare the necessary data.

These cost estimates used regional average costs, adjusted to reflect operating practices as described below. These adjusted regional average costs, stated in dollars per net ton at the 1974 level of costs, are compared with the rate per net ton, which reflects the Ex Parte No. 305-A rate level. Separate tables are shown for each commodity identified by STCC numbers, separated by rate territories, distances and various weight groupings.

The variable and fully allocated costs set forth in tables 119A through 128B were based on the unit costs shown in Rail Carload Cost Scales by Territories for the Year 1973, statement No. 1C1-73, prepared by the Commission's Cost and Valuation Section. In addition, the costs in these tables reflect an updating to a 1974 level based on the methods outlined in Rail Carload Cost Scales by Territories as of January 1, 1958, statement No. 2-58.

Variable costs consist of: (1) the variable portions of freight operating expenses, rents and taxes (excluding Federal income taxes), and (2) the variable portion of the "cost of capital," excluding any allowance for Federal income taxes. Fully allocated costs consist of the variable costs plus an allocation of the constant cost which is composed of: (1) the constant portions of the freight operating expenses, rents and taxes (excluding Federal income taxes), and (2) the constant, or remaining, portion of the "cost of capital."

The fully allocated cost for a given movement is developed as follows: the variable cost (ultimately stated in cents per net ton for a comparison to the rate) is developed first. To this cost is added an allocation of the constant costs. For comparison purposes, fully allocated costs are shown on three bases. Constant costs are allocated on the ton and ton-mile basis, the car and car-mile basis, and the dollar basis. To develop the constant unit costs per ton and per ton-mile and the constant unit costs per car and per car-mile, the dollar numerators, which are separated between those expenses and cost of capital not associated with distance (terminal) and those expenses and cost of capital associated with distance (line-haul), remain the same. However, the divisors change. That is, the tons originated and terminated and the ton-miles were used for the respective terminal and line-haul elements for the ton and ton-mile basis. The loaded cars and the loaded car-miles were used in a similar way for the car and car-mile basis. The constant unit costs for each of the two bases were then applied to the respective tons and ton-miles and cars and car-miles, generated by a particular movement. The allocated costant costs thus obtained for each basis are converted to constant costs per net ton, which were then added to the variable cost per net ton to produce the fully allocated costs per net ton for each basis. For the dollar basis, an allocation ratio was developed for each region by dividing the total regional variable and constant costs by that region's total variable costs. The variable cost per net ton for a given movement was then multiplied by the applicable regional ratio to produce the fully allocated cost per net ton.

The variable costs shown in tables 119A through 128B reflect adjustments to territorial average costs made to recognize certain transportation characteristics indicated in the exhibits of record, including the actual route of movement miles, actual or average actual lading weights, and car ownership, whether privately owned or railroad owned. Where the car was other than carrier owned, the ownership costs were removed from variable and fully allocated costs. Costs for each movement were based on the specific type of car used.

In addition, where the actual routing of the movement was shown, line-haul costs were adjusted by removing the interchange costs included in the territorial average costs on a loaded car-mile basis and substituting for them the interchange cost per car interchanged, using the number of interchanges from the routings shown in the exhibits of record. This was done for both variable and constant costs. No adjustments were made to the terminal costs.

It should be noted that the 410 so-called representative movements of record were costed out as single-car shipments. Although 2 of the 410 movements would be technically classified as multiple-car shipments since more than 1 car per shipment was involved, we decided that these two movements would be costed out as single-car shipments, since the Commission's territorial average costs are based on all types of shipments, including both single car and multiple car. While the territorial costs are heavily weighted in favor of single-car shipments, they still represent slightly more than one car per shipment. In the case of the two above movements the number of cars was less than five cars per shipment; thus these two movements were costed as single-car shipments.

To facilitate a better understanding of the revenue and cost data shown in tables 119A through 128B we developed five basic distribution tables by commodity, rate territories, and weight groups. They show: (1) the number and percent of rate-to-cost ratios falling below variable and fully allocated costs, (2) the number of rate-to-cost ratios falling within ratio range groups of from below 95 percent to 230 percent and over, along with the composite simple average ratio for each column, (3) the lowest, highest, and simple average ratio of rate to variable costs, (4) the number of shipments and simple average rate-to-variable-cost ratios by weight groups, and (5) the number of shipments and simple average rate-to-variable-cost ratios by mileage blocks. These distribution tables are shown as tables 129 through 161C in appendix B.

We costed a total of 410 movements for lumber and lumber products from the exhibits of record. See table 129. Of this total, 51 movements had rate-to-variable-cost ratios below 100 percent. Under the ton and ton-mile method, 114 movements had rate-to-fully-allocated-cost ratios of less than 100 percent, while under the car and car-mile and dollar bases there were 135 and 128 movements, respectively, having ratios less than 100 percent. Twelve percent of the total 410 movements failed to cover variable costs and 28 percent failed to cover fully allocated costs, using the ton and ton-mile method of allocating constant costs. Thirty-three percent and 31 percent of the rates failed to cover the fully allocated costs, using the car and car-mile and dollar bases of allocating constant costs.

The simple average rate-to-variable-cost ratio for the entire 410 movements was 146 percent. The ratio of rate to fully allocated costs was 117 percent under all three bases of allocating constant cost.

While the simple average rate-to-variable-cost ratio was 146 percent, as stated above, this ratio varied from a low of 46 percent found in the official territory to a high of 295 percent recorded in the southern territory. See table 131.

A summary analysis of the revenue-cost results according to (1) origin territory, (2) major commodity groups by STCC codes, (3) shipment weight, and (4) distance, is shown below.

(1) *Origin territory*

A. *Official.*—Approximately 20 percent of the movements originating in the official territory failed to cover variable costs (11 of 54). The percentage of movements where the revenue failed to cover fully allocated costs ranged from 43 percent (ton and ton-mile basis) to 46 percent (dollar basis), or nearly one-half of the movements. (See table 129.)

The average ratio of revenue to variable costs was 134 percent, while on the average the revenue exceeded fully allocated costs by a small margin, the ratios being 107, 109, and 108 percent, respectively, for the three methods of computing fully allocated costs (see table 132). While the average ratio of revenue-to-variable costs was 134 percent, the range extended from a low of 46 percent to a high of 245 percent, as shown in table 131.

The ratio of revenue to variable costs increased directly as the size of the shipment increased, while the same ratio had little relationship if any to the distance traveled. These trends will be discussed in the sections relating to those variables.

B. *Southern.*—The majority of the 410 movements costed originated in the southern territory. In all, 53 percent of the movements (221 of 410) originated in this territory. Of the 221 movements, 15 percent had revenue below variable cost, while the percentage failing to return fully allocated costs ranged from 29 percent (ton and ton-mile basis) to 37 percent (car and car-mile basis). See table 129.

As can be seen in table 133, the average ratio of revenue to variable cost was 145 percent, while the average ratio of revenue to fully allocated costs ranged from 115 percent to 117 percent for the three methods of computation. Table 131 indicates that the ratio of revenue to variable cost ranged from a low of 60 to a high of 295 percent. All of the above figures represent an improvement when compared to the official territory. Like the official territory, the trends for shipment weight and distance traveled will be discussed in another section.

C. *WTL.*—The revenue-to-variable-cost ratios for movements originating in the WTL territory were higher than those of the other territories. Only on 6 of 135 movements (4 percent) did revenue fall below variable costs. The percentage of movements in which the revenue failed to cover fully allocated costs ranged from 19 percent (dollar basis) to 22 percent (car and car-mile basis). (See table 129.)

The average ratio of revenue to variable costs was 153 percent and the average ratio of revenue to fully allocated costs was 122 percent for all three methods. (See table 134.) The average ratio of revenue to variable costs is 153 which is slightly higher than the 145 percent recorded for the southern territory and the 134 percent for the official territory.

(2) *Commodity groups*

A. *STCC 24000 (Unspecified).*—This STCC covers movements where no STCC numbers were indicated in the exhibits of record. There was a total of 33 movements in which STCC's were not shown, all originating in the official territory. (Table 135.) The simple average ratio of revenue to variable costs was 146 percent. Revenue failed to cover variable costs on only 1 of the 33 movements. Ten of the 33 movements had ton-mile basis. The same statistic was 11 for car and car-mile basis and dollar basis. The three simple average ratios were 115, 118, and 116 percent, respectively (table 136).

B. *STCC 24100 (Primary Forest Products).*—Only 13 movements, or roughly 3 percent of all the movements costed, fell into this category. Table 137 shows that 12 of the 13 movements had southern origins. The remaining movement originated in the official territory. Only 1 of the 13 movements failed to cover variable cost. Four failed to cover fully allocated costs (ton and ton-mile basis), as opposed to 5 for the car and car-mile and dollar basis.

The simple average ratio of revenue to variable cost for the 13 movements was 143 percent (table 133), indicating that these movements were fairly compensatory. Movements in the higher weight brackets showed a higher ratio of revenue to variable costs. For example, 7 movements in the 60,000-80,000-pound weight bracket showed a simple average ratio of 122 percent, while 2 movements in the 80,000-100,000-pound bracket had a simple average ratio of 164 percent.

Of the 13 movements, only 1 traveled a distance greater than 750 miles, thus making any analysis by distance difficult. The simple average ratio for the four movements in the 101-200 mileage block was the same as that for the two movements in the 501-750 mileage block.

C. *STCC 24200 (Lumber and Dimension Stock).*—This commodity group comprised the majority of the movements for which costs were computed. Approximately 62 percent (254 of 410) of all the movements fell in this category, with only 20 originating in the official territory and the remaining majority split evenly between the South and West at 117 each.

The major subgroup within this commodity group is STCC 24211, Rough Lumber. Since virtually all of the movements (249 of 254) falling under the broad category of Lumber and Dimension Stock (STCC 24200) come under this specific grouping, the following analysis pertains to both STCC's (24200 and 24211).

Overall, this traffic was compensatory. It yielded a healthy contribution to constant costs since the average ratio of revenue to variable cost for the group was 155 percent (table 140). The overall simple average ratios of revenue to fully allocated costs were 123, 125, and 124 percent for the three methods of computing fully allocated costs. A closer scrutiny by territory, however, reveals that while the movements originating in the West and South are in fact compensatory by a wide margin, those originating in the official territory are marginal at best. However, it should be noted that the movements originating in the official territory comprise less than 10 percent of the total movements in this major commodity group. Moreover, table 141 shows that these 20 movements, when costed out, yielded a simple average ratio of revenue to variable costs of 111 percent (compared to 155 percent for the group as a whole). Ten of those 20 movements had revenues below variable costs. Thus although the overall situation looks strong, a marginal situation does exist in the official territory. The average revenue-to-variable-cost ratios for southern and WTL territories, shown in tables 142 and 143, are 164 percent and 153 percent, respectively.

As mentioned previously, the trend is unmistakably toward higher ratios of revenue to costs as shipment size increases. The trends with regard to distance are mixed. Tables 144A, B, and C, and 145A, B, and C demonstrate this. In official territory, the shorter distances yielded the lowest ratios. For example, table 145A shows that the six movements in the 301-400 mileage block had a simple average ratio of revenue to variable costs of 73 percent, while the same ratio in the 501-750 mileage block was 155 percent and 145 percent in the 751-1,000 mileage block. No such trend was shown in southern territory (table 144A) as all mileage blocks had high ratios. For the WTL territory (table 145C) the trend was the opposite of that found in official territory. The ratios were over 150 percent for distance up to 2,000 miles. For mileage blocks up to 2,000 miles, the average ratios ranged from 152 to 172 percent. Thereafter, due to the use of blanket rates on shipments from the WTL to official territory, the ratios dropped off steadily, from 141 percent in the 2,001-2,500 mileage block to 97 percent for the 3,500-mile-and-over block.

Table 139, however, shows that revenues exceeded variable costs for this group. Only 22 of 254 movements, or approximately 9 percent, failed to cover variable costs. For both the West and South, this percentage dropped to 5 percent, while one-half of the movements originating in the official failed to cover variable costs.

D. *STCC 24300 (Millwork, Veneer, Plywood, and Wood Products).*—The applicable traffic under this commodity grouping consisted of 53 movements, 35 of which originated in southern territory. The remaining 18 originated in the West. A specific commodity within this group, STCC 24321, Veneer and Plywood, accounted for 51 of the 53 movements. Thus, general comments concerning the nature of revenue-cost comparisons will apply to the specific commodity, as well as to the group.

Revenue failed to cover variable cost in only 6 of 53 movements (see table 146), all of those having southern origins. However, in about one-third of the movements (18 of 53), revenue fell below fully allocated costs. These figures approximate those for the entire 410 movements costed in this proceeding.

The overall simple average ratio of revenue to variable costs for the 53 movements was 145 percent. For the 18 movements originating in the West, it was 153 percent, while for those 35 originating in the South, it was 141 percent. Thus, the traffic emmanating from both territories covered variable costs by a comfortable margin. (See tables 147-149.)

With regard to shipment weight, the same patterns hold true. In WTL territory (table 150A), all 18 movements were within two weight brackets, thus no trend is noticeable. However, for the 35 movements originating in the South (table 150B), the two movements in the 20,000-40,000-pound weight bracket had a simple average ratio of only 93 percent. This ratio improved to 122 percent for the 40,000-60,000-bracket and to 156 percent for the 60,000-80,000-pound weight bracket. Increasing shipment weight has the effect of increasing the ratio of revenue to cost.

With regard to distance, the results for STCC 24300 demonstrated no noticeable trend. (See tables 151A and 151B.) For the 35 southern movements, only one mileage block varied significantly from the others. For the block representing distances of 401-500 miles, the average ratio of revenue to variable cost was 88 percent, whereas for the 301-400, and 501-600 mileage blocks the same ratios were 131 and 135 percent. Since the simple average ratio for the 401-500 mileage block was the result of only two movements, and given the results of the other mileage blocks in either direction, it is safe to say that those results represent an anomaly rather than a trend.

E. *STCC 24400 (Wooden Containers)*.—Under this commodity grouping, 43 movements, all of southern origin, were costed out. This is the one group within the broad category of lumber and lumber products where the results in terms of revenue-cost relationships were significantly different from those of the category as a whole. Of the 43 movements (table 152), the revenues failed to cover variable cost in 18, or approximately 42 percent. Using the ton and ton-mile basis of allocating constant costs, 63 percent of the movements failed to cover fully allocated costs. However, using the dollar basis, this percentage rose to 81 percent and using the car and car-mile basis, 88 percent of the movements failed to cover fully allocated costs. Thus, this traffic can be considered only marginal at best.

Table 153 serves to reaffirm this analysis. As can be seen, the average ratio of revenue to variable cost for the group is 105 percent while the ratio of revenue to fully allocated cost is well below 100.

As evidenced by table 154, the revenue-cost relationship improves with increases in shipment size. The average ratio of revenue to variable cost increased from 92 percent in the 20,000-40,000-pound weight group to 119 percent in the 60,000-80,000-pound weight group. Table 155 shows that no pattern was discernable with respect to distance.

F. *STCC 24900 (Miscellaneous Wood Products).*—This traffic consisted of only 14 movements, all originating in southern territory. Of the 14 movements, 3 failed to cover variable costs (see table 156), while 5 of the 14 (using ton and ton-mile basis) failed to cover fully allocated costs.

The simple average ratio of revenue to variable costs (shown in table 157) was 127 percent for the 14 movements, which is below the overall average (146), but nevertheless still well above variable cost. Once again, the higher weight bracket produced the highest ratios. With regard to distance, the lower mileage blocks had the lowest ratios. For mileages greater than 200, the ratios of revenue to variable cost were substantially higher than for distances less than 200 miles. (See tables 158 and 159.)

(3) *Shipment weight.*—The results show that the shipment weight is a factor in determining the revenue-cost relationship. For movements in the higher weight brackets, the ratios of revenue to cost were higher than for the lowest weight brackets. This would be due to the efficiency inherent in heavy loadings whereby the carload costs (terminal) and mileage costs can be spread over a greater number of tons.

With regard to other variables, such as STCC or origin territory, the results show that, for lumber and lumber products the ratio of revenue to cost increases as the weight increases. Table 160, A through I, charts this for all territories for each weight bracket. The ratio of revenue to variable costs increases steadily from 92 percent in the 20,000-40,000-pound weight bracket (table 160A) to 220 percent in the 180,000-200,000-pound weight bracket (table 160). This trend also holds true for each territory and for each STCC.

(4) *Distance.*—The results according to the distance that the shipment traveled are shown in tables 161A, B, and C for each territory of origin. Only the results for the ratio of revenue to variable costs are shown, although the results for a comparison of revenue to fully allocated costs would yield essentially the same results.

Referring to tables 161A and 161B, the results for official and southern territory apparently are not dependent on distance. In the official territory, the lowest ratios of revenue to variable costs were shown in the 200-400-mile distances, but both the short hauls of 200 miles or less and the long hauls of 500 miles or more had equally high ratios. The results for southern territory demonstrated no noticeable trend with regard to distance.

For WTL territory, the results were essentially the same for all mileage blocks up to a distance of 2,000 miles. The average ratio for each block ranged from 152 percent to 165 percent. (See table 161C.) Thereafter, as distance increased, the average ratio of revenue to variable costs decreased, falling rapidly from 141 percent in the 2,001-2,500 mileage block to 97 percent in the 3,500-and-over mileage block. This would be due to the existence of blanket rates on movements originating in the West and terminating in official territory. Under blanket rates, while the revenue per ton is constant, the costs are increasing with distance. This would result in lower ratios for the greater distances.

Part I(D): Comprehensive Issues

The parties submitted evidence pertaining to the 15 enumerated comprehensive issues set forth in the Coordinator's March 14, 1975, order. The material concerning the nine enumerated questions also set forth in that order will not be considered.

Issue No. 1.—Do the present rate structures reflect concepts of ratemaking that have discouraged innovation and flexibility?

SPS believes that the carriers have shown considerable innovation and flexibility in setting their rates for lumber and lumber products. The adoption of "blanket territory," the use of rate reduction where appropriate, and the inauguration of high minimum weights and open-end incentive rates from the South have aided the movement of lumber for the railroads.

The western railroads state that the transcontinental rate structure, depressed to meet water and market competition, is lower than necessary. They argue that the need for transportation capacity has not been appreciated by that part of the industry which deals with rate matters, and that in turn the industry has failed to make this evident to the Commission. These factors have inhibited the innovations needed for a more responsive transportation system—an increase in rates which is other than inflation oriented.

SFPA states that in the early 1960's, the most pressing problem for railroads serving origins from which southern pine was shipped was competing with trucks while maintaining rates at a compensatory level. Since reducing rates did not accomplish this end, the solution appeared to be a combination of lower rates and heavier loading, which would reduce per-unit transportation cost to the shipper but increase the per-car revenue of the carrier. Thus, open-end incentive rates were devised.

Concurrent with the publication of the open-end incentive rates, the bulkhead flatcar with chain tiedowns became available. It proved more suitable for loading lumber than the standard boxcar. The open-end incentive rates and the bulkhead flatcars have combined to move more substantial quantities of southern pine lumber at average loadings in excess of 100,000 pounds as compared with the previous average loading of less than 50,000 pounds.

There have also been changes and refinements in the rate schedules such as the elimination of multiple excess factor rates to permit easier computation of charges and the cancellation of minimum weights of less than 50,000 pounds which have been found to be unnecessary. Additionally, there have been efforts to design bulkhead flatcars with more efficient tiedown devices and to design other types of cars, such as wide-door or plug-door boxcars capable of loading plywood or particle board.

The eastern railroads submit that the normal scale rates in the early 1960's reflected minimum weights of 36,000 and 60,000 pounds. In 1964, new scales with 60,000-pound minimum and excess weight incentive rates were established to meet strong truck competition. The eastern railroads state that they know of no reason why these scales would discourage innovation and flexibility.

SHTA contends that innovation and flexibility have been practiced by the carriers through the multiplicity of rate structures developed and used in different territorial bureaus and by individual railroads to suit particular situations. They pray that the

Commission does not prescribe uniformity of rate structures for the sake of uniformity which would be a step backward in the art of ratemaking.

Issue No. 2.—Are the structures designed without adequate consideration to the effects they may have on future traffic needs?

SPS states that it cannot answer the question definitively with the data at hand. It does believe, however, that the future needs of traffic will be more closely related to service requirements than rate considerations. The railroads' ability to meet future demands will depend on whether their revenues will allow them to invest in more modern equipment. Furthermore, the southern carriers recently abolished the 40,000-pound incentive rates and restricted the use of specialized equipment to heavier shipments which increase revenue and improve utilization and thus reflect attention to prospective traffic demands.

The western railroads believe that the rate structures are indeed designed without adequate consideration of future transportation needs. The railroads' capital needs will require a better earning position on forest products.

SFPA feels that the present rate structure lends itself to revisions for changing conditions. It adds that, with the South's geographic growth characteristics and expanded production facilities, it will be the major supplier of forest products in the United States.

Eastern railroads refer to their answer to issue No. 1, where it was stated that rates within official territory were established to combat truck competition.

SHTA believes that the rate structures are not designed with adequate consideration of future needs. It adds that needs to change and new structures will be necessary and welcomed in the future.

Issue No. 3.—Are rates properly or reasonably related to the costs of carrying the shipment at all carloading?

SPS states that to realistically determine the railroads' expenditures related to the carriage of lumber, the cost of circuity and detention inherent in the shipment of this commodity must be determined. Furthermore, the recent terminal costs within the blanket region should be assessed to determine whether the blanket rate on rough lumber provides enough compensation for the eastern roads.

The western railroads state that transited commodities, especially those with a large percentage of transit such as millwork and poles, which also are relatively light loading, should be dissassociated from the lumber rate structure and the rates should be increased to reflect a better revenue/cost relationship. They also argue that rates on wood raw materials such as sawlogs and wood chips should be greatly increased. They argue that these materials should not be transported at less than cost but should bear a full share of the revenue burden.

SFPA did not respond to this question because it was apparently addressed to the rail carriers.

The eastern railroads state that the 60,000-pound-and-excess truck competitive rates, which move most of the traffic within official territory, represent the best possible compromise between revenue needs and competitive necessity. Thus, their rates do not represent maximum reasonable levels. On the other hand, revenues from the movements of the 36,000-pound rates are substandard.

SHTA claims that the factor of "what the traffic will bear" is still a valid consideration for ratemaking bodies and only the railroads and the Commission are capable of determining the relationships between rates and costs of carrying shipments.

The southern railroads state that early in 1975 the railroads determined that the 40,000-pound-and-excess incentive rates which applied within southern territory were only marginally compensatory. A proposal was approved and became effective in April 1975 which canceled the 40,000-pound-and-excess rates and also increased the 60,000-pound-and-excess rates by 5 percent.

Issue No. 4.—Do the rates provide sufficient profit to the carriers to make the handling of lumber and lumber products attractive at all distances and for all loadings?

SPS' answer to this question is the same as their answer for the previous question.

The western railroads reiterate the point made in response to the previous question that there are inadequate earnings for millwork and other light-loading commodities.

SFPA did not respond to this question because it was apparently addressed to the rail carriers.

The eastern railroads refer to their answer to the previous question.

SHTA states that the question must be answered by the funds, but adds that the constant docketing of rate adjustments by carriers before tariff bureaus manifests the carriers dissatisfaction with the profits or tonnage at which the rates move.

Issue No. 5.—Have the carriers properly assessed *all* economic factors in developing appropriate rate levels for the handling of lumber and lumber products?

SPS states that it is difficult to assess the degree to which economic considerations have influenced the development of rate levels for lumber and lumber products. However, when one considers the number of general rate increases in recent years, it seems reasonable to assume that the rate increases for handling this commodity are mainly due to an effort to keep up with inflation rather than to the economic factors peculiar to this traffic.

The western railroads state that the answer is no but that the Commission has to share responsibility for this. Beginning with 14 I.C.C. 1 (1908), there has been a regulatory history of suppressing responses to upside pricing economics. Furthermore, the railroads have responded in less than full measure to the opportunities to increase lumber rates and thus create a more responsive transportation capability. They claim that today the western railroads hold a position of dominance in the handling of lumber and wood products. They add that a rate increase on forest products is indicated.

SFPA did not respond to this question because it was apparently addressed to the rail carriers.

The eastern railroads refer to their answer to issue No. 3.

SHTA answers this question with a simple "no."

Issue No. 6.—Are the rate patterns adequately responsive to shippers needs?

SPS states that lumber and lumber products traffic is moving by rail to all major markets. SPS believes that the large diversion to truck within the producing regions reflects the short-haul economics and flexibility of that mode of transportation. Shipper needs appear to be more related to service than to rates, and SPS contends that shippers may well pay higher rates for a guarantee of more efficient service.

The western railroads state that lumber and wood products move in volume to the most distant markets. The constraints in this process are: a periodically inadequate supply of rail transportation as well as marketing and economic factors other than rail transportation services.

SFPA states that the rate structures, particularly in the South, have been developed through the cooperation of the various shippers and the rail carriers. Except for minor corrections that could be made, this rate structure has been reasonably satisfactory, excluding the railroads' publication of holddowns which benefit only the long-haul western shippers. SFPA adds that although the rates are very important, rail service and equipment are also significant factors in determining whether the total rail service is responsive to shipper needs. Deficient rail service and equipment has led to more traffic moving by truck.

The eastern railroads submit that the rate levels in their territory were established more than 10 years ago after a public hearing and they apparently have shipper approval. They report that there have been few requests for adjustments below the present scales.

SHTA claims that the rate patterns have not been responsive since its members continue to see an increasing diversion of their rail tonnage to motor carriers.

Issue No. 7.—Are the rate relationships between alternative loading requirements for a select commodity appropriate, logical, and properly responsive to needs?

The western railroads reply that it is difficult to abandon equipment because of the carriers' inability to finance equipment acquisitions which will provide suitable cars for the available products and the distribution techniques. As a result, tariff language had to be created to permit old and new equipment to be used simultaneously.

SFPA did not respond to this question because it was apparently addressed to the rail carriers.

The eastern railroads referred to its answers to issues Nos. 1 through 5.

SHTA answers that this is generally the case.

Issue No. 8.—Are the rate relationships between commodities economically logical and/or appropriate? Do they effectively recognize differences in costs, market needs, demand, or equipment design?

The western railroads answer in the negative. The rate relations between commodities in the lumber list do not reflect the revenue/cost relations that should exist on compatible commodities. They believe that only compatible commodities, in the sense of transportation characteristics and market and intermodal competition, should be directly related. The major relationships on commodities such as lumber, millwork, and poles were based on the Commission's decision in *Rates on Lumber and Lumber Products,* 52 I.C.C. 598 (1919), in which the parties were restricted in the evidence that could be submitted. They also contend that there is a large variation between the earnings of millwork on the one hand and lumber and plywood on the other. There are also differences in transportation conditions. Finally, water competition has affected the transcontinental lumber rate structure for millwork rates because of the relationship created in the *Rates on Lumber* decision, although water competition on millwork is negligible.

SFPA states that the carriers have for many years maintained the same rates on a large number of articles in the lumber list. This list appears to be responsive to the needs of the southern pine lumber industry (except plywood to the official territory) and has been maintained for many years without complaint. SFPA does not advocate any change in the list. It adds that the Commission found in the *Rates on Lumber* case that there should be a definite relation between rates on lumber and lumber products. In more recent decisions, the Commission has upheld the lawfulness of the maintenance of a lumber list. See *Walled Lake Door Co.* v. *Atlantic Coast Line R. Co.,* 209 I.C.C. 87 (1959). Furthermore, SFPA argues that according to these decisions, plywood to the official territory should be given the same treatment it receives in other territories.

The eastern railroads believe that the relationships are appropriate. The railroads, in an effort to divert business away from motor carriers and back to rail published an incentive scale within official territory and from southern territory to official. These incentive rates applied to a list of commodities formulated by the railroads after they determined which commodities were moving predominantly by motor carrier. The eastern railroads contend that this list has been responsive to shipper needs over the years.

SHTA states that the present rates might be too technical concerning differences in such factors as costs, equipment design, and market needs. In comparison, motor carrier tariffs are not usually as specific or critical in the description of articles, and their equipment is usually more versatile and acceptable. However, rates which are more sensitive to these factors might make the rate levels more closely related to "what the traffic will bear."

The southern railroads, in their rebuttal, criticize SFPA for suggesting that no changes be made in the lumber list. The carriers acknowledge that the Commission in *Rates on Lumber and Lumber Products, supra,* established the specific articles which should be included in the lumber lists; however, they point out that the decision came some 58 years ago, and that times and conditions have changed since then. While some subsequent reference has been made to the 1919 decision, the last such reference mentioned by SFPA was *Walled Lake Door Company* v. *Atlantic Coast Line R. Co., supra.*

The southern railroads contend that the carriers are not entirely satisfied with lumber lists as presently constituted, particularly as they apply to a broad list of articles subject to the low truck-competitive open-end incentive rates at minimums of 60,000 and 90,000 pounds. As evidence of their dissatisfaction, the carriers eliminated the following light-loading lumber products from the incentive lumber description in supplement 3 to SFTB S-935-E, ICC S-976, effective February 28, 1972:

Basket or hamper bottoms or covers, without rims, in packages or loose, CL.

Blocks, automobile shipping.

Chair stock, rough sawed.

Culvert units, wooden, nailed or not nailed, glued or not glued, bolted or not bolted, with or without dowel pins, KD.

Egg case material, wired or not wired, cleated or not cleated, glued or not glued.

Gunstock material, sawed, rived or split from the bolt, but not turned to shape, whether or not end-dipped or end-coated to prevent end-checking.

Pickets.

Plugs, wooden tie, not further finished than rough sawed and planed, in bundles, or bags.

Rails, fence.

Rungs, ladder, in the rough, turned or coarse sanded, but not further processed, loose or in packages.

Shingle tow (shingle shavings), in bags, in machine pressed bales, or in bulk.

Spokes, club turned.

Stakes, tent.

Tent pins, rectangular, round or oval; ends flat, pointed or beveled; slotted or grooved; sanded or not sanded.

This action was taken in the interest of equipment use, since those commodities ordinarily could not be loaded to at least 40,000 pounds in the equipment specified. No protests were filed to the action taken by the carriers.

The southern railroads note that the original open-end incentive truck-competitive rates at minimums of 40,000, 60,000 and 90,000 pounds, with excesses, for account of Southern Railway System effective February 17, 1962, and later for account of all Southern lines, effective October 26, 1962, applied only on lumber, rough or dressed, n.o.i.b.n. However, over the intervening years due to shipper pressure and to alleviate problems with misdescribing the shipment so as to receive benefit of reduced rates, the incentive lumber list has expanded to its present proportions. The carriers feel, however, that they should be permitted to amend the incentive list as times and conditions dictate.

According to Southern, an instance where the Commission has found it is unnecessary that all lumber-related articles be included in a single lumber list is ***Union Fork & Hoe Co.* v. *Chesapeake & O. Ry. Co.***, 314 I.C.C. 784 (1961). In that proceeding, lower rates were sought on shipments of wooden dowels, in the rough or rough turned, and handle materials, not further finished than sawed or turned to shape, from Cookeville, Tenn., to Columbus, Ohio, for further processing. At the time the shipments moved there were two lumber lists. One list, which embraced dowels and handle material, was subject to higher rates at 36,000 pounds. The other list, established about a year before the shipments in question moved, was subject to lower truck-competitive rates at 60,000 pounds. Articles in the latter list were formerly in the common list of lumber articles pursuant to ***Rates on Lumber and Lumber Products, supra,*** subject to minimum weight of 36,000 pounds. Conditions at the time necessitated establishment of the lower level of rates at higher minimum weights on certain lumber articles. The lower rates were required to meet unregulated truck competition, prevent further diversions and regain lost traffic. The cheaper loading costs by truck versus rail loading, which required bracing and blocking, gave the trucks an advantage which only lower rail rates would cure and offer an incentive to use rail service. The higher minimum weights were provided to protect the carriers' revenue. In finding that the higher rates charged were not unjust, unreasonable, or otherwise unlawful, the Commission pointed out the reasons for more than one lumber list:

> It is pointed out by the complainant that the Commission has held in a number of decisions that the maintenance of higher rates on some articles than on others in the lumber list is unlawful. However, we are not referred to any finding that all articles in that list are entitled ro rate reductions found competitively necessary on only some of the articles therein. In ***National Veneer & Panel Mfrs.' Assn.* v. *Aberdeen & R. R. Co.***, 219 I.C.C. 183, at page 185, appears the following:
>
> "We have also recognized the fact that rates on some lumber products affected by competition might well be reduced without the necessity of a corresponding change in the rates on others not so affected."

Another example where, the southern railroads, conditions made it necessary for the carriers to depart from a broad lumber list is found in *Plywood, Hardboard & Particleboard* v. *Aberdeen,* 340 I.C.C. 836 (1972). In that case complainants objected to the carriers' removing prefinished plywood from the lumber lists applicable to the normal, truck-competitive and incentive lumber rates which had the effect of establishing higher rates on prefinished plywood. Although complainants contended that prefinished plywood had always moved under the lumber and lumber articles rates which included both unfinished and prefinished plywood, the carriers argued that it was never their intention that lumber rates applicable on plywood should apply on prefinished plywood and that the latter should bear higher rates. Efforts by complainants to show that the two commodities were so similar as to warrant identical rates was rejected by the Commission. In finding the assailed rates just and reasonable it stated that the record in the case showed that prefinished plywood often received additional loading care indicating that it is of higher value than unfinished plywood. Thus prefinished plywood was effectively removed from regular lumber list descriptions and today higher rates apply on prefinished plywood than unfinished plywood.

The southern railroads also object to SFPA's argument that plywood should take the same rates as lumber to official territory. They attack SFPA's reliance on a Commission decision which allegedly upheld the maintenance of the lumber list.

In *Walled Lake Door Company* v. *Atlantic Coast Line R. Co., supra,* it was alleged that rates on plywood or built-up wood from Mont Laurier, Tring Junction, St. Basile, Quebec, Canada, New York, N.Y., and Baltimore, Md., to Eufaula, Ala., Walled Lake, Mich., and Ohio City, Ohio; from Eufaula to Nescopeck, Pa., Walled Lake, and Ohio City; and from New Orleans, La., to Eufaula, were unjust, unreasonable, unjustly prejudicial and preferential. Initially, the complainant sought prescription of rates on the basis of the domestic lumber rates, but on brief asked for a finding of unlawfulness to the extent that the assailed plywood rates exceeded 110 percent of the domestic lumber rates.

The Commission considered a number of previous cases, including *Rates on Lumber and Lumber Products,* 52 I.C.C. 598. At page 91, the Commission stated:

> Reference is made to *Rate on Lumber and Lumber Products,* 52 I.C.C. 598 (1919). In that proceeding, hereinafter referred to as the lumber investigation, the findings related solely to the classification or rate relationships of lumber and lumber products, as distinguished from the measure of the rates themselves. Therein, the Commission set forth the specific articles to be included in the lumber lists, and designated the percentage of the lumber rates to be accorded such articles. Millwork.

including panelwork, was accorded rate 125 percent of those on lumber. The rates on built-up wood, other than when made from figured veneer or from woods of value, were made 110 percent of the lumber rates, and built-up wood made from figured veneer or from woods of value was accorded 115 percent of the rates on lumber.

The Commission found that the plywood of the kind shipped may well take rates higher than those on lumber, especially since many of the lumber rates are depressed by truck or water competition, and dismissed the complaint.

The question of rates on plywood versus the rates on lumber has been considered in several Commission decisions. In *Atlas Plywood Corp.* v. *Akron, C. & Y. R. Co.,* 288 I.C.C. 493, rates on plywood from and to points in official territory, ranging from 121 to 143 percent of the lumber rates, were found not shown to be unreasonable or otherwise unlawful. In *Georgia-Pacific Plywood & Lbr. Co.* v. *Aberdeen & R. R. Co.,* 284 I.C.C. 372, division 2 used the normal rates on lumber rather than the then effective depressed rates as a basis for determining the reasonableness of rates on plywood from Savannah, Ga., to points in official and Illinois territories. The southern railroads argue that these cases clearly demonstrate that the Commission has not required the carriers to maintain the same rates on plywood and lumber.

Although the rates on plywood from southern to official territory are higher than the lumber rates, the movement of plywood has increased substantially. The growth of plywood tonnage from southern to official territory can be observed by comparing the 1 percent waybill sample movements of plywood and veneer for the years 1966, 1969, and 1972, contained in the ICC Rail Revenue Contribution Statements.

The movements of plywood and veneer from southern to official territory for 1966, 1969, and 1972, are shown in table 55 below:

TABLE 55

Veneer and plywood[1]

Southern to official territory	Cars	Tons	Average load per car (tons)	Average haul per ton (miles)
1966	21	796	37.9	777
1969	58	2,586	44.6	799
1972	70	3,510	50.1	803

[1] STCC 24321.

SOURCE: ICC Rail Revenue Contribution Statement Nos. 153-71, 153-69. and 153-72.

Table 55 shows that plywood and veneer tonnage rose from 796 net tons in 1966 to 3,510 net tons in 1972, an increase of 341 percent. The average loading weight per car and average length of haul also increased from 1966 to 1972.

The increase in average loading weight per car from 37.9 to 50.1 net tons per car, an increase of 32 percent, indicates the incentive feature of the plywood rates is attractive to the shippers.

Issue No. 9.—Do the rate pattern differences in movements, within or between different territories on the same commodity logically distinguish between the economic differences in movements of that commodity?

The western railroads state that the transcontinental eastbound rates are lower than necessary to meet intermodal water competition, and are lower than necessary to produce a maximum movement of lumber and plywood, since there is no evidence that rates inhibit the movement. The western railroads contend that the transportation-oriented problem is car supply and service. It adds that rates in other territories are closely related to truck-competitive influences.

SFPA does not have the required information available.

The eastern railroads state that the rates within official territory were generated by motor carrier competition.

SHTA states that there are different types of rate factors and rate tapers on traffic moving between or from all territories even though the economic and physical conditions are the same.

The southern railroads argue that the economic and physical conditions are not the same, as is alleged by SHTA. The southern railroads also contend that if SHTA does not favor uniformity in rate structures as it stated in response to this issue, it must, therefore, acknowledge rate structures that recognize competitive differences.

Issue No. 10.—Are the "rate tapers" employed in individual mileage-related commodities appropriate and justified?

The western railroads state that the transcontinental rate structure is not mileage-related.

SFPA claims that rates on lumber and related articles within, between, and from the South and Southwest have been truck compelled, and the tapers have been formulated to meet particular transportation needs and competitive factors. Although inequities have developed in certain rate structures, the affected shippers will be able, based on past experience, to resolve these problems with the carriers. SFPA also states that it currently has no information that a rate taper is inappropriate or not justified.

The eastern railroads reply that rate tapers are not employed in the rates applicable within official territory.

SHTA questions how rate tapers can be justified, since they vary so much between territories and between commodities.

Issue No. 11.—Is any particular rate pattern, whether mileage related, point-to-point, incentive grouping, or any other considered to be "the" most appropriate to the movement of lumber and lumber products?

SPS replies that there is no one system of rates most suitable for the movement of lumber and lumber products. The rates from the South are on a higher per-mile basis than the rates from the Northwest, which, have little or no relationshp to mileage, particularly regarding blanket territory. Furthermore, when circuity and holding time are considered, rates from the Northwest are even more divorced from mileage factors. Also, most southern lumber moves on open-end incentive rates, which do not apply to northwest lumber. Rates from both major producing areas, however, do move this traffic.

The western railroads state that the existing rate structure has been shaped by highway, water, and market competition and regulatory philosophy. The particular environment has to be taken into account to determine the most appropriate rate structure.

SFPA maintains that about 95 percent of all southern pine rail shipments move on open-end incentive rates. It believes that these rates are the most appropriate for moving lumber and lumber products, at least in the territory in which southern pine shipments now move. The open-end incentive rates appear to be the most effective rate structure for the distribution pattern and have halted the further diversion of traffic to motor carriers. Should the distribution patterns or truck competitive situation change, it may be necessary to adjust the rate structure. SFPA has no such adjustment to suggest at this time.

The eastern railroads feel that the existing rates are appropriate. These rates within official territory are motor competitive and there are incentive mileage rates for loads in excess of 60,000 pounds.

SHTA states that the most appropriate rate structure for its products is determined by market demands, commercial conditions, availability and design of equipment and competitive relationships. It adds that it would be difficult to state that one type is the most appropriate for all moves.

The southern railroads contend, in rebuttal, that SHTA's answer to this issue refutes its response to issues Nos. 9 and 10.

Issue No. 12.—How have general increases had an effect upon the movement of traffic within territories, between territories, or on competitive or interregional marketing efforts?

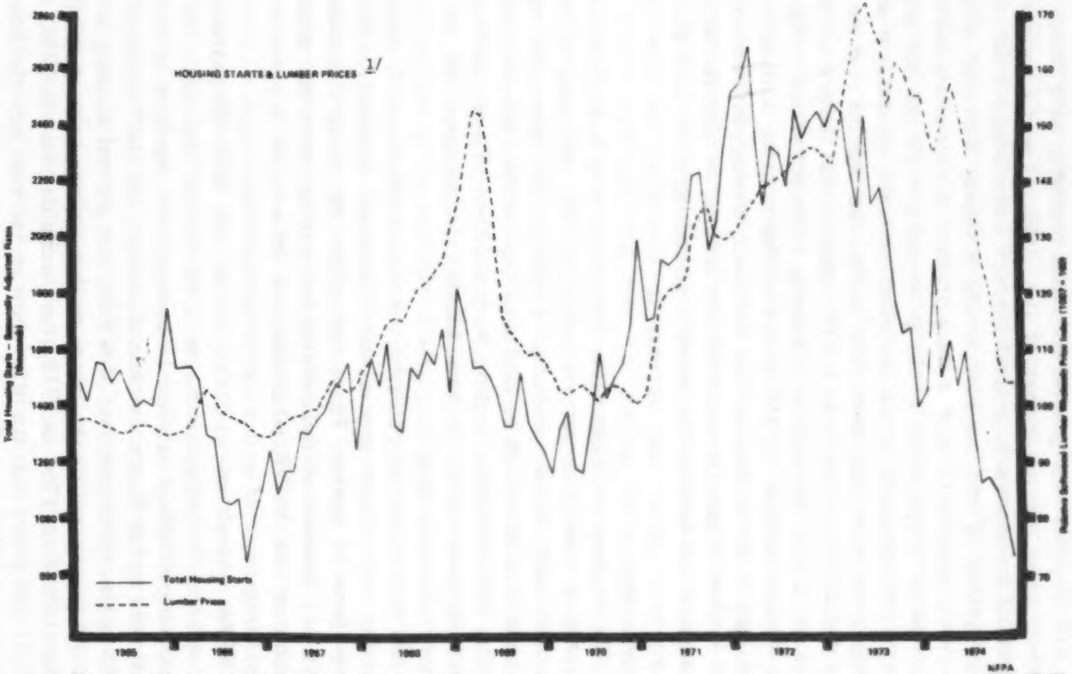
SPS believes that general increases probably have little, if any, effect upon the movement of this traffic. The Commission has ordered holddowns in general increase cases where it felt the full application of the increase would seriously hurt the ability of western shippers to market their product in midwestern and eastern territories. Application of the proposed percentage increases has been allowed where it was believed that such increases would not impair the marketing of western lumber and that the revenue needs of the carriers necessitated it. SPS contends that the price of lumber fluctuates with the number of housing starts per year. See figure 10. A demand analysis by SPS indicates that housing starts and yearly changes in per capita income, not price, strongly influence the use of lumber. Since the construction industry is clearly the largest consumer of lumber, the number of housing starts in a particular area in a given year appears to determine the flow of this commodity.

The western railroads state that there is a lack of discernible problems related to rate increases in the marketing of western lumber and forest products. Evidence of increased highway competition in the short-haul area (up to 800 miles) is currently being handled under section 5a procedures. These problems are essentially related to the basic blanket rate structure and not to ex parte increases alone.

SFPA provided an extensive answer to this issue. It states that factors other than general rate increases primarily affect the movement of lumber. These factors include charges in marketing patterns because of fluctuations in housing starts, the continued dominance of the official territory by the western shippers, and the encouragement of motor carrier competition.

SFPA submitted evidence from the U.S. Department of Commerce Construction Reports which state that since 1967 the greatest percentage increase in housing starts has been in the West, followed by the South, the official territory and the Northeast (table 56). It also submitted data of WWPA that showed a steady increase in the percentage of shipments to destinations west of the Rocky Mountains from 1967 to 1973 (there was a decrease in 1974). Table 57. It also states that statistics show an increase into the South for western shippers over this period. It should be noted, however, that these statistics show a slight decrease for the western shippers, at least in percentage terms (table 58).

FIGURE 10



¹Courtesy of: National Forest Products Association.

TABLE 56

Housing starts

PRIVATELY OWNED (000 OMITTED)

Year	Northeast	North central	South	West	Total
1967	214.9	337.1	519.5	220.1	1,291.6
1972	329.5	442.8	1,057.0	527.4	2,356.6
1973	277.3	439.7	899.4	428.8	2,045.3
1974	183.2	317.3	552.8	284.5	1,337.7
1975[1]	154	251	433	288	1,126.0

[1] Through May 1975, seasonally adjusted annual figures.

TABLE 57

Year	Shipments in million board feet to west of Rockies	Percentage of WWPA total shipments
1967	2,619	26.5
1969	2,947	31.2
1971	3,275	32.6
1972	4,303	40.0
1973	4,547	40.3
1974	3,515	34.8

TABLE 58

Year	Shipment in million board feet to west of Rockies	Percentage of SFPA total shipments
1967	1,221.4	12.4
1970	1,149.8	12.6
1971	1,273.5	12.7
1972	1,431.6	13.2
1973	1,355.0	12.0
1974	1,080.7	10.7

TABLE 59

Total shipments

Year	WWPA	SFPA
	Million board feet	
1969	9,546	2,271
1971	10,050	2,856
1972	10,853	3,193
1973	11,271	2,660
1974	9,107	2,337

TABLE 60

Distribution of lumber to WTL States by SFPA and WWPA 1962-1974

(IN MILLION BOARD FEET)

State	1962		1963		1964		1965	
	SFPA	WWPA	SFPA	WWPA	SFPA	WWPA	SFPA	WWPA
Illinois	43,464	422,352	54,515	434,765	70,721	484,570	88,180	502,381
Iowa	5,587	300,556	6,793	304,486	8,483	316,992	9,688	305,748
Missouri	49,209	255,696	71,173	320,314	91,156	349,251	100,012	321,277
Nebraska	961	118,493	1,234	127,720	1,493	116,216	1,993	104,691
Wisconsin	6,558	260,551	7,066	304,893	12,960	353,279	18,734	356,347
Total	105,779	1,357,648	140,781	1,492,178	184,813	1,620,308	218,607	1,590,444
Percent of total shipments	6.6	23.7	8.4	17.3	10.2	16.8	11.5	17.1
	1966		1967		1968		1969	
Illinois	85,588	509,940	81,112	538,612	92,747	535,412	94,242	417,082
Iowa	11,914	316,867	12,918	325,619	11,980	333,382	19,356	280,989
Missouri	93,233	326,376	89,266	323,188	108,779	308,829	87,181	264,601
Nebraska	1,079	106,166	1,318	104,629	1,422	103,060	3,756	83,191
Wisconsin	18,761	375,037	18,664	355,774	23,493	363,341	27,417	316,202
Total	210,575	1,634,386	203,278	1,647,822	238,421	1,644,024	231,952	1,362,065
Percent of total shipments	12.0	17.3	11.0	16.7	11.2	15.9	10.2	14.4
	1970		1971		1972		1973	
Illinois	89,327	348,772	117,143	406,455	124,975	389,684	88,520	406,652
Iowa	17,991	240,867	21,177	256,088	24,205	264,540	15,489	274,379
Missouri	86,548	268,178	128,811	275,734	141,051	305,121	110,814	277,209
Nebraska	3,470	80,745	1,312	90,756	2,551	94,557	2,131	115,050
Wisconsin	21,184	287,799	24,565	322,795	21,993	329,808	16,908	325,655
Total	218,520	1,226,361	293,008	1,351,828	314,775	1,383,710	233,862	1,398,945
Percent of total shipments	9.6	13.4	10.3	13.5	9.9	12.8	8.8	12.4

Distribution of lumber to WTL States by SFPA and WWPA 1962-1974—Continued

(IN MILLION BOARD FEET—Continued)

State	1974	
	SFPA	WWPA
Illinois	74,388	347,866
Iowa	16,283	239,944
Missouri	100,693	215,791
Nebraska	3,101	106,971
Wisconsin	25,198	293,211
Total	219,663	1,203,783
Percent of total shipments	9.3	11.9

SFPA also produced data showing shipments from the South and West to the WTL States of Illinois, Iowa, Missouri, Nebraska, and Wisconsin from 1962 through 1974. It demonstrates that WWPA shipments have declined somewhat from their peak level in 1967, while SFPA shipments dropped sharply since its highest level in 1972. See table 60.

SFPA further argues that general rate increases have not affected the movement of lumber and related articles because western shippers continue to dominate in official territory. Instead, the western shippers' participation in various markets has followed the demand for lumber. A comparison of the total shipments of SFPA and WWPA is found in table 59.

SFPA adds that a horizontal increase on all commodities without any holddowns is the most equitable and efficient manner of allowing railroads to recover their increased costs. The western shippers argue they need the holddowns in order to preserve market patterns and relationships between the western and the southern producers. Yet, SFPA contends the rate structure has not adversely affected the movement of western lumber because the principal reason for any shift in marketing patterns is the demand for lumber caused by housing starts. It alleges that the holddowns have favored the West at the expense of the South, since the holddowns have been published in a manner that benefits only the long-haul western shippers.

SFPA submitted a comparison of rates applying on shipments of lumber weighing 75,000 pounds per car from Portland, Oreg. to Chicago and New York City with rates from various southern and southwestern line origins. This comparison shows that the rates from these latter origins to Chicago and New York have shown more increases on a percentage basis, than the rates from Portland. This greater increase from the South and Southwest is attributed to the railroads' publishing general increases subject to holddowns applicable from the West. They add that the western shippers have been treated very favorably by the railroads over the years.

SFPA feels that if holddowns are published by the railroads, they must be done so in a manner that treats all commodities equally. SFPA recommends that if holddowns are to be employed, the Commission should order the railroads to publish any increase from the South and Southwest subject to holddowns in accordance with the formula previously mentioned (until the rate from Portland to Chicago exceeds $3 per hundredweight). SFPA believes that by using this formula, all origins would be paying nearly uniform increases and making a uniform contribution to the railroads to offset their increased costs. Use of this formula would restrict the allegedly preferential application of rates by means of holddowns by railroads in favor of the western shippers.

The eastern railroads state that the general increases have not had a noticeably adverse effect upon the movement of lumber traffic in the East, which represents only a small portion of the national lumber movement.

SHTA states that holddowns or percentage increases that are lower for one territory than another have resulted in diversion of some movements of lumber products by rail to other modes of transportation.

The western railroads, in their rebuttal to SFPA's answer, argue that holddowns have been of questionable value in the face of the carriers' need for revenues. They also contend that the statistical evidence shows no discernible effect of rail rates on movements. However, while holddowns have been of questionable value in the face of the carriers' proven need for revenue, they have some rationale behind them. The proposed formula, on the other hand, would deprive all, not just western, carriers of sorely needed revenues.

Issue No. 13.—Have holddowns, flagouts, or revised structures published by the railroads provided effective economic results?

SPS states that although the railroads have shown considerable flexibility in setting rates for lumber and lumber products, lumber moves largely by truck within the producing regions. Within their limits of cost and flexibility, however, the railroads appear to be doing what they can to retain as much of this traffic as possible.

The western railroads refer to their answer to the prior question.

SFPA feels that holddowns have benefitted only the long-haul west coast lumber shippers. It also feels that holddowns have deprived the carriers of substantial revenue and thus have not provided any effective economic results. SFPA refers to statements by the railroads in Ex Parte No. 310 to the effect that holddowns in favor of the western lumber shippers caused the loss of substantial amounts of revenue. Thus, SFPA opposes the holddowns as published by the railroads or approved by the Commission in past general increase cases. It adds that the railroads are the appropriate parties to explain the economic results from holddowns.

The eastern railroads point out that the truck competitive scale within official territory established in 1964 is still in effect today. They contend that absence of requests for adjustments shows that the publication is satisfactory.

SHTA feels that the holddowns, flagouts, or revised structures have not provided effective economic results to the extent needed by the lumber industry.

Issue No. 14.—Have the carriers effectively met the threat or successfully resisted competition of all sorts in rate policy?

SPS' answer to the previous question also applies to this one.

The western railroads state that except for short-haul trucking, the railroads are in as dominant a position today on transcontinental movements of lumber and other wood products as they ever have been.

SFPA states that the open-end incentive rates manifests the efforts made by the railroads to meet truck competition. At different times the railroads have also been affected in the movement of lumber by barge competition. It appears, however, that the railroads have successfully met this competition.

The eastern railroads refer to their answer to the previous question.

SHTA contends that railroads have been insensitive and slow to respond.

Issue No. 15.—Can traffic and cost requirements be introduced to develop more accurate cost results reflecting actual transportation characteristics in the movement of specific commodities or groups of commodities?

SPS' answer to issue No. 3 applies to this question also.

The western railroads do not favor a lumber rate structure, or any rate structure, that is cost oriented. They believe that costs are useful for determining the floor for pricing but using costs for any

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other purpose makes pricing a rigid, inward-looking function. They believe that a demand-oriented price structure is preferable. It allows the carrier to meet expenses and renew the plant. It allows the user to negotiate the level of prices, depending on his particular strength. The combination of a carrier with capacity and a producer with capacity can create a demand through pricing, with varying relations to the cost of service. For instance, there would be a narrow relation where the producer has marketing constraints and wider margin where the marketing constraints are less. Thus, the western railroads contend, both parties benefit and there is contribution to the Nation's economy. The consumer benefits from more alternative sources of supply and economies of scale and competition. They believe that an inward looking, cost-oriented structure neglects the needs of all, including the carrier with capacity and high fixed costs.

The western railroads add that using the demand pricing philosophy for downside pricing, however, can cause problems. They allege that for the lumber and wood products rate structure, the constraints on upside pricing have been too burdensome. There should be increases in wood raw material rates such as logs and woodchips. Water competition and market competition on long-haul movements are at a low point. The wood products' future appears to be as bright as it ever has. They state that more revenues are needed and can be obtained to produce a plant capable of handling added business with better service.

SFPA states that the Commission's revenue contribution studies have been strongly criticized and the Commission itself has noted that there are some deficiencies in the data from these studies. SFPA feels that the Commission should try to obtain additional funds to develop more accurate and complete cost information for use in its administrative functions. SFPA states that cost should not be the only factor to be considered in constructing reasonable freight rates and does not support the view that all rates must bear a fixed relationship to cost.

SHTA hopes that traffic and cost requirements can be developed by the railroads that will more accurately reflect contemporary transportation characteristics and which will allow them to set their rates at a cost which the lumber industry can bear.

The southern railroads, in their rebuttal, argue that there has been a continuous effort to provide southern territory shippers with suitable rail rates and equipment to the greatest extent possible.

Part I(E): Rate Structure

The parties presented additional evidence which responded to part I of the Coordinator's order but is not classified under other sections of this part. The purpose of this section is to set out and evaluate this additional evidence.

(1) The western railroads

The western railroads emphasize the importance to them of lumber and lumber products traffic. Over 35 percent of the transcontinental eastbound revenues were derived from lumber and lumber products, which constitute the largest single commodity group in transcontinental rail traffic. The western railroads also contend that lumber and lumber products constitute over 40 percent of the transcontinental revenues to southwestern and southern territories, the area that western lumber shippers argue is their main source of competition.

The western railroads also note some problems involving equipment. Graded minimum weights are used in connection with eastbound transcontinental rates on lumber. The reasons for these rates are related to advances in distribution and products technology. The western railroads state that carriers have not been able to finance equipment acquisitions adequate to provide suitable cars for the products and the distribution techniques available. Tariff language had to be developed to permit old and new equipment to be used simultaneously.

The advances in distribution technology included more efficient, lower cost warehousing, handling, loading and unloading techniques. Since warehouse handling equipment requires wider doorways, an all-door car was developed for the lumber industry. Unitized lumber and plywood are quite efficient in handling, warehousing, loading, and unloading.

Bulkheaded flatcars, some equipped with chain tiedowns, and A-frame cars have achieved wide acceptance for unitized lumber. Boxcars equipped with interior restraining devices such as adjustable bulkheads, cross members and vertical posts which are adjustable and removable, reduce the cost of loading and unloading as compared to the use of wooden boards. Inflatable rubber and paper dunnage to cushion shock, and cars equipped with sophisticated shock-absorbing underframes are in use and minimize the need for wooden bracing and blocking.

Car capacity was increased to meet the costs of the more sophisticated equipment, as well as increased empty-return ratios and the constraints on increased rates. Thus, minimum weights were established that permitted the continued use of the smaller and older cars and maximized the loads on the newer equipment.

The western railroads add that shipper-supplied equipment has presented a problem in handling lumber and lumber products. They allege that changing methods of obtaining equipment (such as leasing) have adversely affected the maintenance of a viable rate structure. For example, the development of litigation for increased compensation on private cars will affect the cost side of the cost-revenue relationships of rates.

According to the western railroads, there has been a significant change in the mode of transporting western lumber over the past 40 years. For example, the Commission noted in *Lumber from Pacific Coast to Eastern Points,* 210 I.C.C. 317, 319-20 (1955) that to markets east of Chicago, intercoastal water movement was approximately four times the movement by rail. However, table 61 shows the water movements to the Atlantic coast for the years 1964 through 1974 from Oregon, Washington, and British Columbia. Tables 62 and 63 show the movement of softwood lumber from the West to the South and the Northeast for the years 1967 through 1974, virtually all by rail. From Oregon and Washington the water movement to the Atlantic coast is declining. In 1974 the movement was approximately 206 million board feet. The rail movements to the Northeast from the Western United States was over six times greater than this total. The total British Columbia and Western U.S. movement to the Northeast in 1974 (tables 64 and 65) was about 40 percent greater than the combined British Columbia, Oregon, and Washington movement by water to the entire Atlantic coast, approximately 1.3 billion board feet versus 1.8 billion board feet.

It thus appears that over time the western producers have risen from a secondary to a lead position on the production of softwood lumber and the rail lines have advanced to a position of dominance in the water/rail competition from western points. The rails are significantly superior on the relative movements by water and rail to the East even when combinging movements from British Columbia and the Western United States. The western railroads argue on the basis of this evidence that the rail freight rates have not suppressed movement from the West to the East and that there is a serious question that the railroads have reserved a proper contribution for their revenue needs from the long-haul rates on lumber and lumber products.

TABLE 61

Waterborne shipments of lumber as requested to Pacific Lumber Inspection Bureau, Seattle, Wash. (in board feet measure) to the Atlantic Coast

Year	From			
	Washington	Oregon	British Columbia	Grand total
1974	59,069,915	147,019,533	1,116,270,920	1,322,360,368
1973	55,829,226	158,409,657	1,196,140,139	1,410,379,022
1972	114,918,357	152,576,201	1,237,358,278	1,504,852,836
1971	116,431,985	152,687,888	1,120,455,031	1,389,574,904
1970	121,438,171	131,221,107	896,423,696	1,149,082,974
1969	116,436,534	106,255,825	1,056,278,452	1,278,970,901
1968	130,290,260	198,393,674	1,218,879,384	1,547,563,318
1967	128,751,380	186,312,556	1,139,838,806	1,454,902,742
1966	204,835,658	169,488,784	1,144,074,165	1,518,398,602
1965	325,560,822	178,937,966	1,151,201,513	1,655,700,301
1964	334,191,054	221,876,822	917,746,150	1,473,814,026

TABLE 62

Total softwood lumber shipments from Western United States stated separately by rail and by truck for years 1967—1974 (in millions of board feet)

TO SOUTH

Year (a)	Rail (b)	Percent of total (c)	Truck (d)	Percent of total (e)	Total (f)
1967	2,790	96.2	109	3.8	2,899
1968	2,935	95.9	127	4.1	3,062
1969	2,575	94.7	144	5.3	2,719
1970	2,689	94.5	157	5.5	2,846
1971	3,037	94.7	169	5.3	3,206
1972	3,346	95.2	169	4.8	3,515
1973	3,040	95.8	133	4.2	3,173
1974	2,475	95.3	122	4.7	2,597

Source: WWPA and California Redwood Association's reports of shipments expanded to 100 percent based on total estimated shipments from Western regions reported by National Forest Products Association.

TABLE 63

Total softwood lumber shipments from Western United States separately by rail and by truck for years 1967-1974 (in millions of board feet)

TO NORTHEAST REGION

Year (a)	Rail (b)	Percent of total (c)	Truck (d)	Percent of total (e)	Total (f)
1967	1,543	99.9	1	.1	1,544
1968	1,502	99.9	1	.1	1,503
1969	1,351	99.9	2	.1	1,353
1970	1,469	99.9	1	.1	1,470
1971	1,511	99.9	1	.1	1,512
1972	1,504	99.9	2	.1	1,506
1973	1,530	99.9	2	.1	1,532
1974	1,336	99.9	2	.1	1,338

Source: WWPA and California Redwood Association's reports of shipments expanded to 100 percent based on total estimated shipments from Western regions reported by National Forest Products Association.

TABLE 64

Shipments of softwood lumber by rail from British Columbia[1] compared with rail shipments from South[2] to northeast and north central regions of the United States

(IN MILLIONS OF BOARD FEET)

Year	From	To		Total
		Northeast	North Central	
(a)	(b)	(c)	(d)	(e)
1967	British Columbia	330.0	1,386.0	1,716.0
	South	110.3	777.6	887.9
1968	British Columbia	368.0	1,606.0	1,974.0
	South	94.6	931.6	1,026.2
1969	British Columbia	396.0	1,806.0	2,202.0
	South	99.1	952.5	1,051.6
1970	British Columbia	386.0	1,721.0	2,107.0
	South	96.3	887.7	984.0
1971	British Columbia	423.0	2,248.0	2,671.0
	South	84.0	1,049.5	1,133.5
1972	British Columbia	503.0	2,437.0	2,940.0
	South	114.9	1,002.3	1,117.2
1973	British Columbia	572.0	2,221.0	2,793.0
	South	110.7	835.7	946.4
1974	British Columbia	506.0	1,727.0	2,233.0
	South	138.8	761.4	900.2

[1] British Columbia shipments include a small amount of hardwoods.

[2] Shipments from South to Northeast include a destination category "other" which the SFPA describes as "Includes States not individually listed, principally the New England States."

Source: Southern shipments from SFPA's reports of shipments expanded to 100 percent based on total estimated shipments from southern region reported by National Forest Products Association. Shipments from British Columbia, 1967-1968 based on WWPA report of September 1971 and Young's Forecasts; 1969-1971, Council of Forest Industries of British Columbia; 1972-1973, Statistics Canada.

TABLE 65

Shipments of softwood lumber by rail and truck from South compared with rail shipments from British Columbia[1] and Western United States to the southern region of the United States

(IN MILLIONS OF BOARD FEET)

Year (a)	By rail from British Columbia and West (b)	By rail and truck from South (c)	Ratio South to British Columbia and West (d)
1969	3,141	5,304.3	1.69
1970	3,304	5,372.7	1.63
1971	3,917	6,054.4	1.55
1972	4,685	6,341.2	1.35
1973	4,434	5,745.2	1.30
1974	3,538	5,005.0	1.41

[1] Shipments from British Columbia include a small amount of hardwoods.

Source: United States shipments from WWPA, California Redwood Association, and SFPA's reports of shipments expanded to 100 percent based on total estimated shipments from Western and Southern regions reported by National Forest Products Association. Shipments from British Columbia, 1969-1971, Council of Forest Industries of British Columbia; 1972-1974, Statistics Canada.

To support this point, the western railroads submitted table 66 which compares rates on lumber, poles and millwork with other commodities moving from the Pacific region to representative destinations in western and eastern territories. Lumber products fall in the lower range of rates per cwt. and per-car earnings.

The June 20, 1975, per-car revenue to New York ranges from a high of $3,375 per car on canned vegetables to a low of $1,465.20 on millwork. Lumber products fall in the lower range on per-car revenues to all points. The rate in cents per cwt. to Chicago as of July 9, 1975, range from a low of 160 cents per cwt. on woodpulp to a high of 285 cents on apples. The lumber rate is 235 cents per cwt., millwork is 265 cents per cwt. Thus, the western railroads argue that the lumber rates and minimum weights are less than the maximum charge for service on large volume commodities moving from the Pacific region to points east of the Rocky Mountains.

TABLE 66

Statement showing present rates in cents cwt. and earnings in dollars and cents per car on commodities moving in volume in transcontinental eastbound service

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
				July 9, 1975		
Line	Commodity	From	To	Rate in cents per cwt.	Minimum weight in pounds (Ex Parte No. 313 level)	July 9, 1975, per car revenue
1	Canned vegetables	Yakima, Wash	Chicago, Ill	229	125,000	$2,862.50
2	Canned vegetables	Yakima, Wash.	Cincinnati, Ohio	256	125,000	3,200.00
3	Canned vegetables	Yakima, Wash	New York, N.Y	270	125,000	3,375.00
4	Canned vegetables	Stockton, Calif	Chicago, Ill	229	125,000	2,862.50
5	Canned vegetables	Stockton, Calif	Cincinnati, Ohio	256	125,000	3,200.00
6	Canned vegetables	Stockton, Calif	New York, N.Y	270	125,000	3,375.00
7	Aluminum ingot	Tacoma, Wash	Chicago, Ill	210.9	60,000	1,265.40
8	Aluminum ingot	Tacoma, Wash	Cincinnati, Ohio	249.2	100,000	2,492.00
9	Aluminum ingot	Tacoma, Wash	New York, N.Y	312.65	100,000	3,126.50
10	Apples	Wenatchee, Wash	Chicago, Ill	285	70,000	1,995.00
11	Apples	Wenatchee, Wash	Cincinnati, Ohio	356	60,000	2,136.00
12	Apples	Wenatchee, Wash	New York, N.Y	379	60,000	2,274.00
13	Woodpulp	Everett, Wash	Chicago, Ill	160	120,000	1,920.00
14	Woodpulp	Everett, Wash	Cincinnati, Ohio	176	120,000	2,112.00
15	Woodpulp	Everett, Wash	New York, N.Y	187	120,000	2,244.00
16	Poles	Seattle, Wash	Chicago, Ill	235	70,000	1,645.00
17	Poles	Seattle, Wash	Cincinnati, Ohio	265	70,000	1,855.00
18	Poles	Seattle, Wash	New York, N.Y	272	70,000	1,904.00
19	Lumber	Seattle, Wash	Chicago, Ill	235	70,000	1,645.00

TABLE 66

Statement showing present rates in cents cwt. and earnings in dollars and cents per car on commodities moving in volume in transcontinental eastbound service—Continued

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
				July 9, 1975		
Line	Commodity	From	To	Rate in cents per cwt.	Minimum weight in pounds (Ex Parte No. 313 level)	July 9, 1975, per car revenue
20	Lumber	Seattle, Wash	Cincinnati, Ohio	253	70,000	1,771.00
21	Lumber	Seattle, Wash	New York, N.Y	253	70,000	1,771.00
22	Millwork	Seattle, Wash	Chicago, Ill	265	44,000	1,166.00
23	Millwork	Seattle, Wash	Cincinnati, Ohio	310	44,000	1,364.00
24	Millwork	Seattle, Wash	New York, N.Y	333	44,000	1,465.20

Tariff authority.—Item 5210, TCFB Tariff 2-L, I.C.C. 1892; Item 6150, Supplement 114, TCFB Tariff 2-L, I.C.C. 1892; Item 2027-G, Supplement 111, TCFB Tariff 44-R, I.C.C. 1838; Item 5015-F, Supplement 108, TCFB Tariff 44-R, I.C.C. 1838; Item 4845-D, Supplement 114, TCFB Tariff 2-L, I.C.C. 1892; Item 10755-F, Supplement 114, TCFB Tariff 2-L, I.C.C. 1892; TCFB Tariff 17-V, I.C.C. 1743; and TCFB Tariff 28-Q, I.C.C. 1750.

(2) The WWPA

WWPA submitted lumber rate comparisons from the western origin point of Portland, Oreg., and various origin points in the South to common destination points in the East.

The first comparison (table 67) shows the effects of general rate increases and other adjustments since World War II from typical points of origin, Portland, Oreg., and Hattiesburg, Miss., to Chicago, Ill. Prior to Ex Parte No. 162, the Portland-to-Chicago rate was 75 1/2 cents per cwt. and from Hattiesburg the rate was 40 cents per cwt. At the Ex Parte No. 305-A level, the rate is 216 cents per cwt., an increase of 186 percent, and from Hattiesburg the rate is 99.4 cents per cwt., based on a car containing 75,000 pounds, which is an increase of 148 percent. WWPA adds that if the car contains 100,000 pounds, which is not unusual for southern shipments, then the Hattiesburg rate is only 91.8 cents per cwt. From the West, there is no change in the rate for heavier loading above 75,000 pounds.

Thus, in comparing the Portland v. Hattiesburg rate to Chicago, a spread of 35.5 cents per cwt., existed in favor of Hattiesburg just prior to Ex Parte No. 162. The spread in favor of the South at the Ex Parte No. 305 level is 116.6 cents per cwt. Thus, over the years the spread has increased in the South's favor by 81.1 cents per cwt. on 75,000-pound shipments. This is equivalent to $19.06 per 1,000 (M) feet on lumber weighing 2,350 pounds per M feet. Lumber weighing 2,350 pounds per M feet, according to WWPA, is common to both the western and southern producing regions and competes directly in the eastern and midwest markets.

Accordingly, WWPA argues that the $19.06 per M is the amount of additional market disadvantage with respect to transportation costs that the western shippers have to absorb as a result of freight rate adjustments since World War II. Based upon an average of 40,000 board feet per car, this amounts to an additional transportation cost of $762.40 per car for the western shipper.

In table 68 the comparison in rates from Portland and Chapman, Ala., to Chicago shows a similar pattern during a shorter period of time. Prior to the increase authorized in Ex Parte No. 259 there existed a spread of 79.5¢ per cwt. in favor of the Chapman producer to the Chicago market. This spread has increased so that in a period of 6 years the Chapman producer has an advantage of 115.8¢ per cwt. This is an increase in the spread in the 6-year period of 36.3¢ per cwt. or an equivalent of $8.53 per M feet. Based upon an average of 40,000 board feet per car, this amounts, according to WWPA, to an additional $341.20 per car that the western producer must absorb to compete with the southern producer.

Table 69 shows a rate comparison between Portland, Oreg., and Andrews, S.C., to Philadelphia. The spread between rates in favor of the South increased 99.2 ¢, from 52¢ to 151.2¢ per cwt. In a comparison between Portland, Oreg., and Elizabeth City, N.C., to New York City (table 70) the rate spread had increased 113.4 ¢ per cwt. from the pre-Ex Parte No. 162 levels of 82¢ from Portland and 26¢ from Elizabeth City, or a spread of 56¢ to the Ex Parte No. 305-A levels of 233¢ from Portland and 63.6¢ on 75,000-pound shipments from Elizabeth City, or a spread of 169.4¢.

TABLE 67

Portland, Oreg., v. Hattiesburg, Miss., to Chicago, Ill.

(RATES IN CENTS PER CWT.)

Date	Portland	Hattiesburg	Spread	
May 15, 1943		75.5	40	35.5
January 1, 1947	Ex Parte No. 162	85.5	48	37.5
August 31, 1948	Ex Parte No. 166	105.5	60	45.5
September 1, 1949	Ex Parte No. 168	111.5	66	45.5
December 1, 1955	Ex Parte No. 175	123.5	76	47.5
March 7, 1956	Ex Parte No. 196	129.5	81	48.5
October 15, 1956	Adjustment	128.5	81	47.5
August 26, 1957	Ex Parte No. 206	137.5	88	49.5
February 15, 1958	Ex Parte No. 212	140	90	50
June 1, 1959	Southern adjustment	140	79	61
October 24, 1960	Ex Parte No. 223	141	80	61
December 1, 1961	I. & S. No. 7558	134	80	54
July 10, 1964	Southern adjustment	134	[1]54.6	79.4
August 19, 1967	Ex Parte No. 256	137	[1]56.6	80.4
November 28, 1968	Ex Parte No. 259	144	[1]59.4	84.6
November 18, 1969	Ex Parte No. 262	153	[1]63	90
June 9, 1970	Ex Parte No. 265-A	161	[1]65.8	95.2
October 20, 1970	Ex Parte No. 265-B	162	[1]66.6	95.4
October 20, 1970	Ex Parte No. 267-A	172	[1]70.6	101.4
April 12, 1971	Ex Parte No. 267-B	177	[1]75.2	101.8
February 5, 1972	Ex Parte No. 281 (2 cent maximum)	179	[1]77	102
October 23, 1972	Ex Parte No. 281-B (4 cent maximum).	181	[1]79	102
August 19, 1973	Ex Parte No. 295-A (3 percent)	186	[1]81.8	104.2
October 1, 1973	Ex Parte No. 299 (1.9 percent)	190	[1]83.6	106.4
January 1, 1974	Ex Parte No. 299 (2.6 percent)	191	[1]83.6	107.4
March 9, 1974	Ex Parte No. 303 (4 percent)	199	[1]87.2	111.8
March 16, 1974	Ex Parte No. 299 (2.8 percent)	199	[1]87.4	111.6
June 20, 1974	Ex Parte No. 305-A (3.3 percent + 10 cent maximum).	216	[1]99.4	116.6

[1] Figured on basis of 75,000-pound shipment. Any addititional weight in car results in lower rate per cwt.

Note: Rate shown at Ex Parte No. 305-A level of 99.4 cent Hattiesburg to Chicago is 107 cent per cwt on 60,000 pounds , 69 cent per 100 cwt. on excess over 60,000 pounds.

Tariff authority:—IFA 1003-D, ICC 1190; IFA I/S-2003-R, ICC 1277; and TCFB 28-Q, ICC 1750.

TABLE 68

Lumber rate comparison Portland, Oreg. v. Chapman, Ala., to Chicago, Ill.

(RATES IN CENTS PER 100 CWT.)

Date		Portland	Chapman	Spread
November 27, 1968		137	[1]57.5	79.5
November 28, 1968	Ex Parte No. 259	144	[1]60.2	83.8
November 18, 1969	Ex Parte No. 262	153	[1]63.8	89.2
June 9, 1970	Ex Parte No. 265-A	161	[1]66.6	94.4
October 20, 1970	Ex Parte No. 265-B	162	[1]67.6	94.4
October 20, 1970	Ex Parte No. 267-A	172	[1]71.5	100.5
April 12, 1971	Ex Parte No. 267-B	177	[1]76	101
February 5, 1972	Ex Parte No. 281 (2 cent maximum)	179	[1]77.8	101.2
October 23, 1972	Ex Parte No. 281-B (4 cent maximum).	181	[1]79.8	101.2
August 19, 1973	Ex Parte No. 295-A (3 percent)	186	[1]82.6	103.4
October 1, 1973	Ex Parte No. 299 (1.9 percent)	190	[1]84.4	105.6
January 1, 1974	Ex Parte No. 299 (2.6 percent)	191	[1]84.4	106.6
March 9, 1974	Ex Parte No. 303 (4 percent)	199	[1]88	111.0
March 16, 1974	Ex Parte No. 299 (2.8 percent)	199	[1]88.2	110.8
June 20, 1974	Ex Parte No. 305-A (3.3 percent and 10 cent maximum).	216	[1]100.2	115.8

[1] Figured on basis of 75,000-pound shipment. Any additional weight in car results in lower rate per cwt.

Note: Rate shown at Ex Parte No. 305-A level of 100.2 cent Chapman to Chicago is 108 cent per cwt. on 60,000 pounds, 69 cent per cwt. on excess over 60,000 pounds.

Tariff authority—TCFB 28-Q, ICC 1750; IFA 1003-D, ICC 1190; and IFA 2003-R, ICC 1277.

TABLE 69

Lumber rate comparison Portland, Oreg. v. Andrews, S.C., to Philadelphia, Pa.

(RATES IN CENTS PER CWT.)

Date		Portland	Andrews	Spread
May 13, 1943		82	30	52
January 1, 1947	Ex Parte No. 162	92	36	56
August 21, 1948	Ex Parte No. 166	112	45	67
September 1, 1949	Ex Parte No. 168	118	50	68
September 1, 1955	Ex Parte No. 175	130	58	72
March 7, 1956	Ex Parte No. 196	136	61	75
October 15, 1956	Adjustment	135	61	74
August 26, 1957	Ex Parte No. 206	144	66	78
February 15, 1958	Ex Parte No. 212	147	67	80
June 1. 1959	Southern adjustment	147	51	96
October 24, 1960	Ex Parte No. 223	148	51.5	96.5
December 1, 1961	I. & S. 7578	141	51.5	89.5
July 10, 1964	Southern adjustment	141	[1]45.9	95.1
August 19, 1967	Ex Parte No. 256	144	[1]47.7	96.3
November 28, 1968	Ex Parte No. 259	151	[1]50	101
November 18, 1969	Ex Parte No. 262	160	[1]53.2	106.8
June 9, 1970	Ex Parte No. 265-A	168	[1]56	112
October 20, 1970	E Parte No. 265-B	170	[1]56	114
October 20, 1970	Ex Parte No. 267-A	180	[1]59.6	120.4
April 12, 1971	Ex Parte No. 267-B	185	[1]62.4	122.6
February 5, 1972	Ex Parte No. 281 (2 cent maximum)	187	[1]64.2	122.8
October 23, 1972	Ex Parte No. 281-B (6 cent maximum).	191	[1]65.2	125.8
August 19, 1973	Ex Parte No. 295-A (3 percent)	197	[1]67	130
October 1, 1973	Ex Parte No. 299 (1.9 percent)	201	[1]68	133
January 1, 1974	Ex Parte No. 299 (2.6 percent)	202	[1]68.8	133.2
March 9, 1974	Ex Parte No. 303 (4 percent)	210	[1]71.6	138.4
March 16, 1974	Ex Parte No. 299 (2.8 percent)	211	[1]71.6	139.4
June 20, 1974	Ex Parte No. 305-A (3.3 percent and 15 cent maximum.)	233	[1]81.8	151.2

[1] Figured on basis of 75,000 pounds shipment. Any additional weight in car results in lower rate per cwt.

Note: Rate shown at Ex Parte No. 305-A level of 81.8 cent Andrews to Philadelphia is 89 cent per cwt. on 60,000 pounds, 53 cent per cwt. on excess over 60,000 pounds.

Tariff authority.—TL-CTR E/S-1008, ICC C-627; TL-CTR E/S-2008-K, ICC C-1010; and TCFB 17-V, ICC 1743.

TABLE 70

Lumber rate comparison Portland, Oreg. v. Elizabeth City, N.C. to New York, N.Y.

(RATES IN CENTS PER CWT.)

Date		Portland	Elizabeth City	Spread
May 13, 1943		82	26	56
January 1, 1947	Ex Parte No. 162	92	31	61
August 21, 1948	Ex Parte No. 166	112	39	73
September 1, 1949	Ex Parte No. 168	118	43	75
December 1, 1955	Ex Parte No. 175	130	49	81
March 7, 1956	Ex Parte No. 196	136	52	84
October 15, 1956	Adjustment	135	52	83
August 26, 1957	Ex Parte No. 206	144	57	87
February 15, 1958	Ex Parte No. 212	147	58	89
June 1, 1959	Southern adjustment	147	42	105
October 24, 1960	Ex Parte No. 223	148	42.5	105.5
December 1, 1961	I. & S. 7558	141	42.5	98.5
July 10, 1964	Southern adjustment	141	[1]34.2	106.8
August 19, 1967	Ex Parte No. 256	144	[1]36	108
November 28, 1968	Ex Parte No. 259	151	[1]37.8	113.2
November 18, 1969	Ex Parte No. 262	160	[1]39.8	120.2
June 9, 1970	Ex Parte No. 265-A	168	[1]41.6	126.4
October 20, 1970	Ex Parte No. 265-B	170	[1]42.6	127.4
October 20, 1970	Ex Parte No. 267-B	180	[1]45.4	134.6
April 12, 1971	Ex Parte No. 267-B	185	[1]48.0	137
February 5, 1972	Ex Parte No. 281 (2 cent maximum)	187	[1]49.0	138
October 23, 1972	Ex Parte No. 281-B (6 cent maximum)	191	[1]50.8	140.2
August 19, 1973	Ex Parte No. 295-A (3 percent)	197	[1]52.6	144.4
October 1, 1973	Ex Parte No. 299 (1.9 percent)	201	[1]53.6	147.4
January 1, 1974	Ex Parte No. 299 (2.6 percent)	202	[1]53.6	148.4
March 9, 1974	Ex Parte No. 303 (4 percent)	210	[1]55.4	154.6
March 16, 1974	Ex Parte No. 299 (2.8 percent)	211	[1]56.2	154.8
June 20, 1974	Ex Parte No. 305-A (3.3 percent and 15 cent maximum).	233	[1]63.6	169.4

[1] Figured on basis of 75,000 pounds shipment. Any additional weight in car results in lower rate per cwt.

Note: Rate shown at Ex Parte No. 305-A level of 63.6 cent Elizabeth City to New York is 69 cent per cwt. on 60,000 pounds, 42 cent per cwt. on excess over 60,000 pounds.

Tariff authority.—TL-CTR E/S 1008, ICC C-627; TL-CTR E/S 2008-K, ICC C-1010; and TCFB 17-V, ICC 1743.

SFPA filed a reply to WWPA's opening statement which criticizes WWPA's comparison of rates from Portland, Oreg., to Chicago, Philadelphia, and New York with the rates from Hattiesburg, Miss., Chapman, Ala., Andrews, S.C., and Elizabeth City, N.C., from May 13, 1943. SFPA argues that the rate scales prior to 1960 from the

South are irrelevant because almost all southern pine shipments move on open-end incentive rates published since the early 1960's. These rates were published to meet truck competition and have no relationship to any rates from the West.

SFPA argues that WWPA's four tables are also misleading because they appear to indicate that the holddowns in Ex Parte No. 281 and Ex Parte No. 305 applying from mountain Pacific territory also applied to the rates from the South. Actually, the 10¢ holddown in Ex Parte No. 305 has no application from the South and the 4¢ Ex Parte No. 381 maximum did not have any effect on the rates listed from southern origins.

In its surrebuttal statement, WWPA argues that according to table 70 (submitted by SPS), the rate from Portland, Oreg., and Hattiesburg to Chicago shows an increasing spread from 79.4¢ to 116.6¢ per cwt., which is an increase of 37.2¢ per cwt. for the period from July 10, 1964, through June 20, 1974. Using the figure of 2,350 pounds per thousand, this amounts to $8.74 per thousand. Based on an average car of 40,000 board feet, this is a difference of $349.60 which the western producer must absorb, a figure WWPA considers significant.

(3) Holddown formula proposed by SFPA

In its opening statement, SFPA states that the Commission is following the proper course in general revenue proceedings by requiring the railroads to provide extensive and detailed justification of any proposed nationwide general revenue increases. SFPA agrees that the general evidentiary standard applied to railroads should be, at a bare minimum, the requirement that the railroads must show that their judgments are soundly based and that the general increases will not cause discrimination, preference, or prejudice to any affected shippers.

SFPA argues that general rate increases should only be published by the railroads on a uniform percentage basis applying on all commodities throughout the Nation. Thereafter, if specific competitive reasons require that the rates be adjusted, such adjustments can be accomplished on a point-to-point or structure basis, subject to the requirements of statutory notice and the opportunity for interested parties to seek suspension and/or investigation.

SFPA further argues that the Commission must not permit, as it has done in the past, the general rate increase proceedings to evolve into what it terms rate cases, whereby rates are subiected to holddowns which are allegedly unduly preferential to those sections of the country or industry to which they apply, and unduly prejudicial to those sections of the country which do not benefit. The Commission should issue guidelines to insure that the publication of supposedly preferential holddowns by the railroads will not be permitted in general revenue proceedings.

Generally, SFPA believes that a horizontal increase on all commodities without any holddowns is the most equitable and efficient manner of permitting the railroads to recover increased costs. However, if holddowns are permitted by the Commission and are published by the railroads, the holddowns should be published in such a fashion that all commodities are treated equally.

SFPA recommends that if holddowns are to be published from western origins, the Commission should order the railroads to publish any increase from the South and Southwest subject to the following equivalent holddowns (until the rate from Portland to Chicago exceeds $3 per cwt.):

(a) Holddown applied to the Portland-to-Chicago rate to apply to all rates exceeding $2;

(b) Holddown to be applied to rates exceeding $1 but not $2 per cwt. to be 75 percent of Portland-Chicago holddown;

(c) Holddown to be applied to rates exceeding 50 cent but not $1 per cwt. to be 50 percent of Portland-Chicago holddown; and

(d) Holddown to be applied to rates not exceeding 50 cent per cwt to be 25 percent of Portland-Chicago holddown.

By applying this formula, SFPA believes that all origins would be paying an approximatley uniform increase and making a uniform contribution to the railroads to offset their increased costs. Furthermore, the application of this formula would restrict the unduly preferential application of rates by holddowns by the railroads in favor of the western shippers.

(4) Response to holddown formula

(a) *The southern railroads.*—In rebuttal to SFPA's opening statement, the southern railroads criticze SFPA's holddown formula which determines holddowns from the South and Southwest pegged on any holddown that may be applied to the Portland-Chicago rate. Basically, the suggested formula provides that if holddowns are applied on lumber and lumber products from the West, then the increases from the South and Southwest should similarly be subject to holddowns based on a percentage relationship to the holddown applicable to the rate from Chicago to Portland.

The southern railroads argue that there is no explanation why the Portland-to-Chicago rate should govern any more than any other set of eastbound lumber rates. Furthermore, the southern lines claim that they have no voice in the measure of the lumber rates from Portland, Oreg., to Chicago, Ill., or for that matter in any other western rates to Chicago, and thus should not be bound by any action taken in connection with these rates. They argue that the authorization of a holddown for western lines' traffic should have absolutely no bearing on the treatment which should be accorded to southern territory lumber rates.

The southern railroads contend that the facts and conditions surrounding the Portland-to-Chicago rate are entirely different from those affecting southern territory rates. Heavy-loading open-end incentive truck competitive rates, based on mileage, are the prevailing line of rates within and from southern territory. On the other hand, the western or Transcontinental Freight Bureau (TCFB) rates are largely on a group basis where distance is a secondary factor.

The southern railroads state that generally carriers do not seek maximums or holddowns except when conditions prevailing at the time make such action desirable. Basically, the western carriers are opposed to holddowns. Nevertheless, the southern railroads argue, the imposition of a holddown on the Portland-to-Chicago lumber rate is no reason to require holddowns on southern territory rates if they are not desired, with or without a formula.

The southern railroads argue that the mandatory holddowns on the increases on lumber from the South and Southwest suggested by SFPA overlook the underlying purpose of the holddowns in the increases on the rates from the West. The Commission's reason for imposing holddowns on western lumber is clearly stated in Ex Parte No. 295, *Increased Freight Rates and Charges, 1973, Nationwide*, 344 I.C.C. 589, at page 646:

> On some instances in the past, as noted by protestants, holddowns have been imposed in cents per hundredweight to prevent erosion of the competitive position of western lumber in eastern and midwestern markets. Generally, this action has been taken when the size of the increase was such that it appeared serious distortion of rate relationships would result, absent imposition of a holddown (see, for example, Ex Parte No. 267, involving an interterritorial increase of 12 percent). That is not the case in the instant proceeding, where we are authorizing an increase of 3 percent in all territories and interterritorially

Thus, under the suggested formula, the spread between the rates from the West versus the South would actually be increased, thereby defeating the original purpose of the holddown on western rates. The southern railroads argue that holddowns against the southern lumber rates would only result in southern rail carriers being deprived of substantial amounts of revenue and, in the long run, failure to receive the full percentage increases on lumber would force shippers of other commodities to bear the burden of rail carriers' revenue needs. Hence, the southern railroads argue that any device which reduces the carriers' revenue is in reality of no value to the carriers or shippers, because without needed revenues the carriers cannot operate efficiently, resulting in inferior service to shippers. The southern railroads also claimthat the formula would have a depressive effect on already low truck-competitive rates in the South because southern carriers face intense competition with trucks both within and from southern territory.

Table 71 illustrates the effect the suggested formula would have on southern territory rates. It shows representative southern territory rates on lumber from 25 cents through 275 cents per cwt., the probable increases on those rates under the formula at 6 percent, 8 percent, and 10 percent, observing holddowns of 4¢, 6¢, 8¢, and 10¢ as being representative of Portland-to-Chicago holddowns. For example, using the 8-percent increase and observing a Portland-to-Chicago holddown of 4¢ per cwt., a base rate of 25¢ would be held at 26¢ in lieu of 27¢; a 50¢ rate would be held to 51¢ in lieu of 54 cents. In the next block, under paragraph (b) of the formula, a base rate of 75¢ would be held to 77¢ in lieu of 81 cents; and a base rate of 100¢ would be held to 102¢ in lieu of 108¢. In the next two blocks, the following would occur:

Base rate	Cents						
	125	150	175	200	225	250	275
Base rate increased——8 percent	135	162	189	216	243	270	297
Base rate with holddown	128	153	178	203	229	259	279
Loss through holddown	7	9	11	13	14	11	18

Thus the southern railroads claim that in most instances, the formula basis would undercut the normal increase, and carriers would lose revenue.

The southern railroads made the following comparison to show the effect of the suggested holddowns, applying an 8-percent increase observing a 6¢ holddown and observing minimum weights of 60,000 and 90,000 pounds applicable in southern territory:

Base rate			Revenue per car at		Revenue loss per car	
Base rate	Increased 8 percent	Holddown rate	60,000 pounds	90,000 pounds	60,000 pounds	90,000 pounds
Cents	*Cents*	*Cents*				
50						
	54		$324	$486.00		
		51 1/2	309	463.50	$15	$22.50
75						
	81		486	729.00		
		78	468	702.00	18	27.00
100						
	108		648	972.00		
		103	618	927.00	30	45.00
125						
	135		810	1,215.00		
		129 1/2	777	1,165.50	33	49.50
150						
	162		972	1,458.00		
		154 1/2	927	1,390.50	45	67.50
175						
	189		1,134	1,701.00		
		179 1/2	1,077	1,615.50	57	85.50
200						
	216		1,296	1,944.00		
		204 1/2	1,227	1,849.50	69	103.50
225						
	243		1,458	2,187.00		
		231	1,386	2,079.00	72	108.00
250						
	270		1,620	2,430.00		
		256	1,536	2,304.00	84	126.00
275						
	297		1,782	2,673.00		
		281	1,686	2,529.00	96	144.00

TABLE 71

Statement showing effect of suggested holddown formula on lumber

Increase	Portland-Chicago holddown	Base rate in cents per cwt.										
		25	50	75	100	125	150	175	200	225	250	275
6 percent—without holddown[1]		27	53	80	106	133	159	186	212	239	265	292
Cents	*Cents*											
With holddown (under formula):	4											
1—Not over 50		26	51	------	------	------	------	------	------	------	------	------
2—Over 50 not over 100		------	------	77	102	------	------	------	------	------	------	------
3—Over 100 not over 200		------	------	------	------	128	153	178	203	------	------	------
4—Over 200		------	------	------	------	------	------	------	------	229	254	279
With holddown (under formula):	6											
1 1/2—Not over 50		26 1/2	51 1/2	------	------	------	------	------	------	------	------	------
3—Over 50 not over 100		------	------	78	103	------	------	------	------	------	------	------
4 1/2—Over 100 not over 200		------	------	------	------	129 1/2	154 1/2	179 1/2	204 1/2	------	------	------
6—Over 200		------	------	------	------	------	------	------	------	231	256	281
With holddown (under formula):	8											
2—Not over 50		27 NC	52	------	------	------	------	------	------	------	------	------
4—Over 50 not over 100		------	------	79	104	------	------	------	------	------	------	------
6—Over 100 not over 200		------	------	------	------	131	156	181	206	------	------	------
8—Over 200		------	------	------	------	------	------	------	------	233	258	283
With holddown (under formula):	10											
2 1/2—Not over 50		27 NC	52 1/2	------	------	------	------	------	------	------	------	------
5—Over 50 not over 100		------	------	8 NC	105	------	------	------	------	------	------	------
7 1/2—Over 100 not over 200		------	------	------	------	132 1/2	157 1/2	182 1/2	207 1/2	------	------	------
10—Over 200		------	------	------	------	------	------	------	------	235	260	285

See footnote at end of table.

Statement showing effect of suggested holddownformula on lumber—Continued

Increase	Portland-Chicago holddown	Base rate in cents per cwt.										
		25	50	75	100	125	150	175	200	225	250	275
8 percent—Without holddown[1]		27	54	81	108	135	162	189	216	243	270	297
Cents	*Cents*											
With holddown (under formula):	4											
1—Not over 50		26	51	------	------	------	------	------	------	------	------	------
2—Over 50 not over 100		------	------	77	102	------	------	------	------	------	------	------
3—Over 100 not over 200		------	------	------	------	128	153	178	203	------	------	------
4—Over 200		------	------	------	------	------	------	------	------	229	254	279
With holddown (under formula):	6											
1 1/2—Not over 50		26 1/2	51 1/2	------	------	------	------	------	------	------	------	------
3—Over 50 not over 100		------	------	78	103	------	------	------	------	------	------	------
4 1/2—Over 100 not over 200		------	------	------	------	129 1/2	154 1/2	179 1/2	204 1/2	------	------	------
6—Over 200		------	------	------	------	------	------	------	------	231	256	281
With holddown (under formula):	8											
2—Not over 50		27 NC	52	------	------	------	------	------	------	------	------	------
4—Over 50 not over 100		------	------	79	104	------	------	------	------	------	------	------
6—Over 100 not over 200		------	------	------	------	131	156	181	206	------	------	------
8—Over 200		------	------	------	------	------	------	------	------	233	258	283
With holddown (under formula):	10											
2 1/2—Not over 50		27 NC	52 1/2	------	------	------	------	------	------	------	------	------
5—Over 50 not over 100		------	------	80	105	------	------	------	------	------	------	------
7 1/2—Over 100 not over 200		------	------	------	------	132 1/2	157 1/2	182 1/2	207 1/2	------	------	------
10—Over 200		------	------	------	------	------	------	------	------	235	260	285

See footnote at end of table.

Statement showing effect of suggested holddown formula on lumber—Continued

Increase	Portland-Chicago holddown	Base rate in cents per cwt.										
		25	50	75	100	125	150	175	200	225	250	275
10 percent—without holddown[1]		28	55	83	110	138	165	193	220	248	275	303
Cents	*Cents*											
With holddown (under formula): ----------	4											
1—Not over 50----------		26	51	----------	----------	----------	----------	----------	----------	----------	----------	----------
2—Over 50 not over 100----------		----------	----------	77	102	----------	----------	----------	----------	----------	----------	----------
3—Over 100 not over 200----------		----------	----------	----------	----------	128	153	178	203	----------	----------	----------
4—Over 200----------		----------	----------	----------	----------	----------	----------	----------	----------	229	254	279
With holddown (under formula): ----------	6											
1 1/2—Not over 50----------		26 1/2	51 1/2	----------	----------	----------	----------	----------	----------	----------	----------	----------
3—Over 50 not over 100----------		----------	----------	78	103	----------	----------	----------	----------	----------	----------	----------
4 1/2—Over 100 not over 200----------		----------	----------	----------	----------	129 1/2	154 1/2	179 1/2	204 1/2	----------	----------	----------
6—Over 200----------		----------	----------	----------	----------	----------	----------	----------	----------	231	256	281
With holddown (under formula): ----------	8											
2—Not over 50----------		27	52	----------	----------	----------	----------	----------	----------	----------	----------	----------
4—Over 50 not over 100----------		----------	----------	79	104	----------	----------	----------	----------	----------	----------	----------
6—Over 100 not over 200----------		----------	----------	----------	----------	131	156	181	206	----------	----------	----------
8—Over 200----------		----------	----------	----------	----------	----------	----------	----------	----------	233	258	283
With holddown (under formula): ----------	10											
2 1/2—Not over 50----------		27	52 1/2	----------	----------	----------	----------	----------	----------	----------	----------	----------
5—Over 50 not over 100----------		----------	----------	80	105	----------	----------	----------	----------	----------	----------	----------
7 1/2—Over 100 not over 200----------		----------	----------	----------	----------	132 1/2	157 1/2	182 1/2	207 1/2	----------	----------	----------
10—Over 200----------		----------	----------	----------	----------	----------	----------	----------	----------	235	260	285

NC—No Change.

[1] Increases computed from tables in various ex parte increase tariffs.

The southern railroads argue that when the suggested formula is applied, it results, in almost every instance, in an effective increase which is considerably below the increase sought. The southern railroads claim that, excluding the 25-cent rate where application of ex parte increase tables versus straight percentages result in slightly varying amounts, the formula produces effective increases over the base rate as follows:

Observing holddown of	Range of increases
Cents	*Percent*
4	1.45 to 2.66
6	2.19 to 4.00
8	2.92 to 5.33
10	3.64 to 6.67

Even within the rate blocks, the southern railroads note that the formula holddowns produce reduced increases which are not uniform between the various rates, as seen in the following:

Rate block	Holddown	Range of effective increase
Cents	*Cents*	*Percent*
50	4	2.00
Over 50 not over 100	4	2.00 to 2.66
Over 100 not over 200	4	1.50 to 2.40
Over 200	4	1.45 to 1.78
50	6	3.02
Over 50 not over 100	6	3.00 to 4.00
Over 100 not over 200	6	2.25 to 3.60
Over 200	6	2.19 to 2.67
50	8	4.00
Over 50 not over 100	8	4.00 to 5.33
Over 100 not over 200	8	3.00 to 4.80
Over 200	8	2.92 to 3.55
50	10	5.00
Over 50 not over 100	10	4.00 to 6.67
Over 100 not over 200	10	3.00 to 6.00
Over 200	10	3.64 to 4.45

The southern railroads further object to the formula on the grounds that it is precedent setting, and once adopted for lumber, might be used for other commodities leading to endless and complicated formulas. No explanation is given how the percentages sought in this formula were reached or how using the formula would result in uniformity as to origins and contribution to increased carrier costs. The southern railroads allege that this formula is unworkable because the western and southern lumber rates were constructed on an entirely different basis and under different conditions.

The southern railroads state that southern territory carriers do not wish to be bound by any action taken in connection with strictly western rates, and argue that they should not be forced to accept a formula which automatically sets aside their managerial functions against their will. If holddowns in southern territory lumber rates may be necessary at some particular time, the southern carriers believe that they are the ones best able to make that decision, based on the competitive and economic situations at the time.

SFPA defends its formula by stating that the Portland-to-Chicago rate was used because historically the railroads and the western shippers have used the Portland, Oreg., to Chicago, Ill., rate in comparing rate spreads in relation to the Hattiesburg, Miss. -to-Chicago rate. SFPA contends that although the Commission has recently commented unfavorably on the use of the Hattiesburg to Chicago rate, the use of this rate to measure holddowns has been either intentionally or coincidentally continued. For example, in Ex Parte No. 310, ***Increased Freight Rates and Charges, Nationwide, 1975,*** the 7-percent holddown on lumber and related products in favor of western shippers, proposed by the railroads and the western lumber producers, was in fact approximately 7 percent of the Hattiesburg to Chicago rate, if the average car weight of 75,000 pounds is used.

Therefore, SFPA argues that objections to their suggested holddown formula on the basis that it would be precedent setting are not valid, because prior holddowns have in fact been governed by the precedent of the Hattiesburg-to-Chicago rate.

(b) ***Western Wood Products Association (WWPA).***—WWPA also takes issue with the SFPA contention that western shippers have increased their participation in the southern market. According to appendix 4 of the SFPA's statement, the SFPA members in 1967 shipped 1,342,625,000 board feet of lumber, or 72.6 percent of its total shipments to the South. For the same year, WWPA members shipped 1,221,390,000 board feet to the South or 12.4 percent of its total shipments. For the year of 1974, SFPA members shipped 1,694,979,000 board feet to the South for 71.8 percent of its total shipments, and WWPA members shipped 1,080,722,000 board feet to the South for 10.7 percent of its total shipments. This is an increase by SFPA members to the South of 352,354,000 board feet and a decrease by WWPA members to the South of 140,668,000 board feet. Not only did the percentage of total shipments by WWPA members to the South drop but the total number of board feet dropped by 140,668,000. While SFPA shipments to these States have decreased by about 8 1/2 percent, shipments by western producers have decreased by 29 percent.

WWPA also opposes SFPA's holddown formula and criticizes its rationale that all origins would be paying an approximately uniform contribution to the railroads in recognition of the railroads increased costs. WWPA charges that continued horizontal increases accomplish the very things that SFPA desires, because they lessen the competitive effect of the western producer and place a lid on the costs of marketing his product so that he can still use the cheaper truck method of delivery. WWPA argues that the railroads are transporting less of the western producer's product because of horizontal increases, and are not transporting the southern producers' shipments in any significant amounts. Therefore WWPA asserts that horizontal increases do not benefit the railroads.

Part 1 (F): Coordinator's conclusions

The record shows that lumber and lumber products are moving by rail to all major markets. The large diversion to motor carriers within the producing regions is due to the short-haul economics and flexibility of that form of transportation. Based on the parties' evidence, the lumber freight rate structures, although not perfect, have adequately met the needs of both the shippers and the carriers. There are four major interests involved; the western railroads, western shippers, southern railroads, and southern shippers. All four have noted problems in the rate structure: the western carriers have a rate structure depressed by water competition while the southern carriers have stated that the ratio of revenues to variable costs has declined; the western shippers argue that the rate spread between them and the southern shippers has been increasing while southern shippers complain that holddowns granted western shippers have unfairly favored their competitors. On the whole, however, they have mentioned no major problems. There thus exists between these territories and among these interests a sort of equilibrium, if at times an uneasy one. The Commission has never defined a reasonable rate relationship between the West and the South. Based on the evidence herein, the Commission has not needed to since the present freight rate system between these two territories suggests that the carriers and shippers have been responsive to the competitive needs of both the West and the South.

An examination of the statements of the parties reflects this equilibrium and also reveals certain problem areas. There was considerable disagreement between the western and southern shippers. Since the rate structure from the West (blanket rates) is fundamentally different from the southern rate structure (mileage-related rates) some friction between these major regions is bound to occur. WWPA argues that general increases have caused the rate differentials between the West and South to increase, thus increasing the cost per thousand board feet for lumber. SFPA argues that holddowns have been preferential for the western shippers and requests that its holddown formula be adopted. We believe that both contentions are without merit.

WWPA's rate comparisons, such as the one between Portland and Hattiesburg to Chicago, face the problem of having a 1,000-mile difference in distance. Furthermore, as seen in SPS' appendix I, the Hattiesburg rate has shown a greater percentage increase than the Portland rate and it is now a greater percentage of the Portland rate than it was in 1964.

We also believe that neither SFPA's or any other holddown formula should be imposed. As noted above, the Commission has not defined a reasonable rate system between the South and the West and we do not believe that the adoption of one at this time is warranted. The numerous differences between the West and South outweigh the need for a uniform system of rates. Heavy-loading, open-end, incentive truck competitive rates, based on mileage, are the predominant rates in the southern territory. Market and water competition, not distance, are the primary reasons for the current system of rates from the West. The southern railroads have voiced objections to the effect of holddowns on revenue. The western railroads have also questioned their validity in light of the carriers' revenue needs and because water competition has lessened considerably. The evidence developed here and in part II shows that rail rates have no discernible effect on lumber movements, and that instead, demand for lumber is dependent on housing starts. The carriers have been innovative and have shown concern for shipper needs, as witnessed by the incentive rates, specialized equipment, blanket rates, and holddowns. In light of this, we believe that there should be no fixed relationship between the West and the South, and that any future general rate increase requests be considered within the economic climate existing at the time they are made, with holddowns being granted or refused as the comparative needs of the carriers and shippers warrant.

Both the southern and western carriers criticized what they consider to be a rigid lumber list. This was first upheld in *Rates on Lumber and Lumber Products, supra,* where the Commission determined that there should be a definite relation between the rates on lumber products and the rates on lumber. The Commission stated that the lumber list was needed to attain an equitable distribution of transportation costs and thus avoid rates that were unjustly prejudicial to certain articles and unduly preferential to others. SFPA stated that this list has been responsive to the needs of the southern pine lumber industry (except plywood to official territory) and it does not favor any change in the lumber list.

However, over the years, the Commission has applied a liberal interpretation of *Rates on Lumber and Lumber Products, supra,* where conditions have warranted a departure from the lumber list, such as for truck competition and higher minimum weights. Thus, in *Union Fork & Hoe Co.* v. *Chesapeake & O. Ry. Co., supra,* at 785, the Commission noted that it has never found that all articles on a list are entitled to a reduction when only some of the articles on the list are reduced due to competition. In *Plywood, Hardboard & Particleboard* v. *Aberdeen,* 340 I.C.C. 836 (1972), prefinished lumber was, in effect, removed from the lumber list.

Thus, we recognize that the lumber list is still a valid concept; however, there should be flexibility in its application and departure allowed where conditions, such as different transportation characteristics or strong or negligible competition from other modes, warrant such action. Finally, we see no reason, based on the evidence presented herein, to change the rates on plywood to official territory.

PART II. Self-Defeating Nature of General Increases on Lumber and Lumber Products.

The Coordinator's order to the parties of March 14, 1975, requested in part II of appendix C that respondents show the general increases sought, those authorized by the Commission and those actually applied by the carriers individually or any other rate change, on all significant movements of lumber and lumber products beginning with and subsequent to Ex Parte No. 256 increases. Reasons for the application of increases less than those authorized as well as other rate changes were to be set forth.

The parties were also requested to present evidence designed to show that general rate increases on lumber products may or may not have been self-defeating in nature with respect to generating revenues.

In part I of this report the material presented by the parties in regard to rate structures, general freight rate increases and individual rate adjustments has been set forth. The purpose of this section is to present the evidence submitted in regard to the potentially self-defeating nature of general freight rate increases and to evaluate this evidence.

(1) *SPS.*—SPS examined the historical pattern of each mode's participation in the transportation of lumber and lumber products (the modal split of the traffic) to determine the effects of general freight rate increases on the ability of rail carriers to generate revenue.

SPS evaluated the modal-split characteristics for lumber shipped from the southern and western wood-producing regions during the period 1966 through 1974, covering each region separately. This data was contrasted against gross revenue to portray the relationship between modal split and gross revenue.

An examination of the data presented in table 72 for the southern producing region (southern region) shows that rail share of total traffic has been declining steadily. This data includes shipments originating from both the southern rate territory (Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia) and the southwestern rate territory (Arkansas, Louisiana, Oklahoma, and Texas).

TABLE 72

Rail share of southern pine shipments for all reporting southern mills

PERCENT OF TOTAL
1966-100

Destination	1966		1969		1972		1973		1974	
	Per-cent	Index	Per cent	Index	Per-cent	Index	Per-cent	Index	Per-cent	Index
Southern	19.8	100	20.8	105.1	18.8	94.9	16.5	83.3	15.3	77.3
Official	61.5	100	64.4	104.7	60.1	97.7	56.0	91.1	53.9	87.6
Other	64.1	100	63.6	99.2	58.7	91.6	55.0	85.8	52.8	82.2
Export	2.7	100	3.3	122.2	2.4	88.9	---	---	4.4	163.0
Total	31.0	100	31.8	102.6	29.0	93.5	26.1	84.2	25.7	82.9

Source: *Distribution of Southern Pine Shipments*, SWPA (New Orleans, La.) 1966, 1969, 1972, 1973, 1974 issues, pp. 1-3.

The index numbers above, calculated on a 1966-100 base, are presented to show the rates of change from the 1966 level. An index number less than 100 indicates a declining share of total traffic for rail shipments relative to the 1966 base year.

SPS also noted that while rail share of total traffic is declining, the actual tonnages shipped by rail, though varying directly with total shipments, increased between 1966 and 1972. Rail tonnage has declined since 1972, reflecting, in their judgment, the depressed conditions in the housing industry. (See table 73.)

TABLE 73

Total tons of southern pine shipped for southern mills

	1966	1969	1972	1973	1974
Total rail	812,305.5	1,081,885.5	1,388,313	1,040,757	909,828
Total truck	1,811,292	2,325,112.5	3,400,618.5	2,949,547.5	2,630,316
Total all	2,623,597.5	3,406,998	4,788,931.5	3,990,304.5	3,540,144

Based on conversion factor of 3.0 pounds-1 board foot.
From: Forestry Handbook (Ronald Press Company, New York, 1955)
table 15, pp. 14-30

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[1] Source: "Distribution of Southern Pine Shipments," SWPA (New Orleans, La.) 1966, 1969, 1972, 1973, 1974 issues, pp. 1-3.

The data for mills east of the Mississippi presents a totally different picture than the data for the mills west of the Mississippi. Table 74 below shows that rail share of total traffic displayed a rather large increase since 1966. In 1966, rail movements originating east of the Mississippi were approximately 18.4 percent of total traffic as compared to 24.6 percent in 1969, 29.1 percent in 1972, 24.6 percent in 1973, and 25.5 percent in 1974.

Table 74

Rail share of southern pine shipments for reporting mills east of the Mississippi

(PERCENT OF TOTAL, INDEX: 1966 - 100)

Destination	1966		1969		1972		1973		1974	
	Percent	Index	Percent	Index	Percent	Index	Percent	Index	Percent	Index
Southern	11.9	100	18.4	156.93	20.4	171.93	17.8	149.58	16.4	137.82
Official	37.7	100	43.9	116.45	53.2	141.11	45.1	119.63	46.0	122.02
Other	61.2	100	59.6	97.39	63.5	103.76	55.3	90.36	61.5	100.49
Total	18.4	100	24.6	133.7	29.1	158.2	24.6	133.7	25.5	138.6

Source: "Distribution of Southern Pine Shipments," Southern Wood Products Association (New Orleans, La.) 1966, 1969, 1972, 1973, 1974 issues, pp. 1-3.

Table 75 also shows a marked contrast between mills east of the Mississippi and those west of the Mississippi. Here, tonnage shipped, though varying with total shipments, showed an increase over 1966 levels.

Table 75

Total tons of southern pine shipped for 66 mills east of the Mississippi River

	1966	1969	1972	1973	1974
Total rail	173,125.5	337,722	664,485	492,873	451,843.5
Total truck	769,449	1,035,756	1,620,658.5	1,509,862.5	1,318,689
Total all	942,574.5	1,373,478	2,285,143.5	2,002,735.5	1,770,532.5

Based on a conversion factor of 3.0 pounds - 1 board foot

Source: "Distribution of Southern Pine Shipments," Southern Wood Products Association (New Orleans, La.), 1966, 1969, 1972, 1973, 1974 issues, pp. 1-3.

SPS' data for the mountain Pacific region yields similar results to that for the southern region. Table 76 indicates that the rail share of lumber and planing mills products shipments has been declining in total for all flows, except for shipments to the southern wood-producing region. These data are constructed from shipments originating and terminating according to census regions.[13] The mountain Pacific region consists of data for both the Pacific region (Washington, Oregon, and California) and the mountain region (Arizona, Idaho, Colorado, Montana, Nevada, Utah, New Mexico, and Wyoming). The official territory is composed of the Census Bureau's New England region (Maine, Vermont, New Hampshire, Massachusetts, Connecticut, and Rhode Island), middle Atlantic region (New York, New Jersey, and Pennsylvania) and east north central region (Wisconsin, Michigan, Illinois, Indiana, and Ohio). The southern territory consists of all other States east of the Mississippi plus Oklahoma, Texas, Arkansas, and Louisiana. Shipment data are for all products falling under STCC 242 (Sawmill and Planing Mill Products).

TABLE 76

Rail share of lumber and planing mill product shipment for all reporting mills in mountain Pacific region

(PERCENT OF TOTAL, INDEX: 1966 - 100)

Destination	1967		1972	
	Percent	Index	Percent	Index
Southern	81.5	100	96.2	105.77
Official	92.3	100	79.0	85.59
Mountain Pacific	48.6	100	36.4	74.90
Other	44.5	100	94.0	99.47
Total	68.0	100	57.3	84.26

Source: Bureau of the Census, United States Department of Commerce, 1972 Census of Transportation (Washington, D.C., 1975), Commodity Survey TC 72C1-2, pp. 2-3 through 2-4; and 1967 Census of Transportation, Commodity Transportation Survey, Part 1, Shipper Groups (Washington, D.C., 1970), p. 526.

Table 77 also compiled from census data, shows that the actual tonnages shipped by rail have also been declining along with total shipments.

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[13] See census geographic divisions of the United States as they appear in most Bureau of Census publications.

TABLE 77

Total tons of lumber and planing mill products shipped from the mountain Pacific region

(IN THOUSANDS OF TONS)

	1967	1972
Rail	13,903	12,406
Truck	6,266	8,277
Water	2,667	912
Total	22,873	21,654

Note: Figures do not sum to totals because census data lists additional categories.

Data for shipments originating from the mountain region conforms closely to that for the entire mountain Pacific region. Table 78 shows the relative decline of rail share of traffic since 1967 for all flows.

TABLE 78

Rail share of lumber and planing mill product shipments for all reporting mills in the mountain region

(PERCENT OF TOTAL, INDEX: 1966 - 100)

Destination	1967		1972	
	Percent	Index	Percent	Index
Southern	N/A	----------	45.7	----------
Official	94.4	100	81.8	86.65
Mountain Pacific	32.8	100	23.6	71.95
Other	84.9	100	76.6	90.22
Total	78.6	100	54.1	68.83

Source: Bureau of the Census, U.S. Department of Commerce, 1972 Census of Transportation (Washington, D.C., 1975), Commodity Survey TC 72C1-2, pp. 2-3 through 2-4; and 1967 Census of Transportation, Commodity Transportation Survey, Part I, Shipper Groups (Washington, D.C., 1970), p. 526.

Table 79 shows a drastic decrease in the actual tonnage shipped by rail corresponding somewhat to a decrease in total shipments. It should be noted that while rail shipments and total shipments decreased, truck tonnage increased.

TABLE 79

Total tons of lumber and planing mill products shipped from the mountain region

(IN THOUSANDS OF TONS)

	1967	1972
Rail	3,160	1,532
Truck	800	1,269
Water	-----------	-----------
Total	3,960	2,830

Source: Bureau of the Census, United States Department of Commerce, 1972 Census of Transportation (Washington, D.C., 1975), Commodity Survey TC 72C1-2, pp. 2-3 through 2-4; and 1967 Census of Transportation, Commodity Transportation Survey, Part I, Shipper Groups (Washington, D.C., 1970), p. 526.

Data for shipments originating from the Pacific region's mills varies somewhat from the data presented for mountain and the entire mountain Pacific regions. Table 80 shows a decline in the rail share in the total as well as an increase in shipments to the southern region.

TABLE 80

Rail share of lumber and planing mill product shipments for all reporting mills in the Pacific region

(PERCENT OF TOTAL, INDEX: 1966 - 100)

Destination	1967		1972	
	Percent	Index	Percent	Index
Southern	81.5	100	97.5	119.63
Official	91.8	100	78.2	85.19
Mountain Pacific	47.5	100	37.4	78.74
Other	98.8	100	99.3	100.51
Total	66.2	100	57.8	87.31

Note: Figures do not sum to totals because census data lists additional categories.

Table 81, on the other hand, differs from tables 77 and 79 in that rail tonnages shipped from the Pacific region have increased while total shipments have decreased.

TABLE 81

Total tons of lumber and planing mill products shipped from the Pacific region

(IN THOUSANDS OF TONS)

	1967	1972
Rail	10,743	10,874
Truck	5,466	7,008
Water	2,667	912
Total	18,913	18,824

Note: Figures do not sum to totals because census data lists additional categories.

Source: Bureau of the Census, United States Department of Commerce, 1972 Census of Transportation (Washington, D.C. 1975), Commodity Survey TC 72C1-2, pp. 2-3 through 2-4; and 1967 Census of Transportation, Commodity Transportation Survey, Part I, Shipper Groups (Washington, D.C., 1970), p. 526.

For both southern and western region shipments, it appears that rail share of total traffic has declined. For southern shipments actual tonnage shipped via rail has increased. Although the tonnage from the mountain region (Arizona, Montana, Idaho, Colorado, Utah, Nevada, New Mexico, and Wyoming) has declined, the tonnage from the Pacific States (Washington, Oregon, California), which represent by far the largest proportion of this traffic, has increased.

TABLE 82

Gross revenue generated for movements of lumber and lumber products

(INDEX: 1966-100)

Flow	1966	Index	1969	Index	1972	Index
South to United States --	$21,959,400	100	$24,077,500	109.6	$27,717,100	126.2
Mountain Pacific to United States.	254,389,600	100	2,423,615	95.3	350,065,100	137.6

Source: Interstate Commerce Commission, Carload Waybill Statistics, 1966, TD-1 (Washington, D.C., 1968), U.S. Dept. of Transportation, Carload Waybill Statistics, 1969, TD-1 (Washington, D.C.) and Carload Waybill Statistics, 1972, TD-1.

The revenue data items presented in table 82 show an increase over the previous level of revenue in every instance except for the 1969 figure for mountain Pacific to U.S. movements. These figures indicate a net growth in gross revenue to the railroads for the time period of 1966 through 1972. Therefore, SPS cannot say that the general freight rate increases have been self-defeating with respect to generating gross revenue, because gross revenue and tonnages have increased during this time period despite the decline in rail share of the market. Eventually, SPS contends, a continually declining share of market must result in a decrease in revenues. However, since that result has not yet occurred, the general revenue increases do not appear to have been self-defeating.

(2) The western railroads

The western railroads argue that housing starts and lumber prices are so closely related, as illustrated by figure 11, that it can be accurately predicted that, over time, a change in housing starts will cause a change in price.

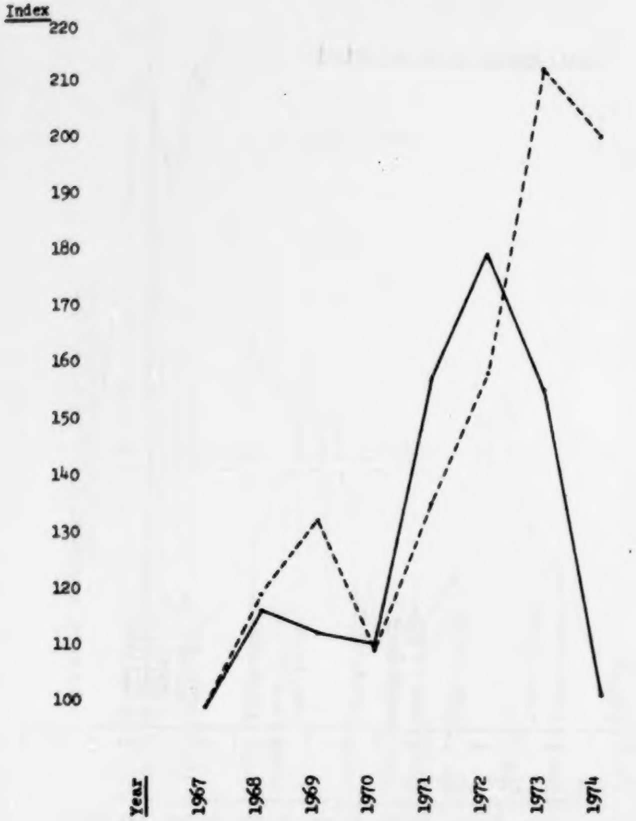
They contend that demand for lumber, plywood, and building materials is dependent on housing starts, which, in turn, are dependent on the formation of family units and monetary policies, public and private, which must provide capital in adequate quantity and at a price which will divert the capital to construction of dwellings.

The western railroads argue that there is no correlation between prices and rail freight rates. Figures 12 through 17 set forth in linear form the monthly f.o.b. origin mill price fluctuations on various western species from 1967 through April 1975. The line graph also shows the date of various ex parte increases from Ex Parte No. 256, effective June 20, 1974. The western railroads argue that if the increases were absorbed by shippers the origin price should have dropped by the amount of the increases shortly after they went into effect. No such pattern is discernible. Origin mill prices fluctuate independently of ex parte increases. In Ex Parte No. 259 the Commission took note of this type of evidence as follows:

> Western lumber is sold on the basis of f.o.b. mill price plus freight charges. In other words, the consignee generally bears the transportation charges. It follows that, if western shippers are absorbing the differences in freight charges between the West and the South, then mill prices would decrease to offset each horizontal percentage increase. The respondents show that mill prices in the West are not altered or reduced because of freight rate increases. Lumber prices continued to climb after the implementation of the increases in Ex Parte No. 256 and Ex Parte No. 259. The rising price of lumber in 1972, which has been greatly accelerated in 1973, bears no [discernible] relationship to freight rate increases. The respondents conclude that mill prices are determined by factors other than freight rates. [344 I.C.C. at 645.]

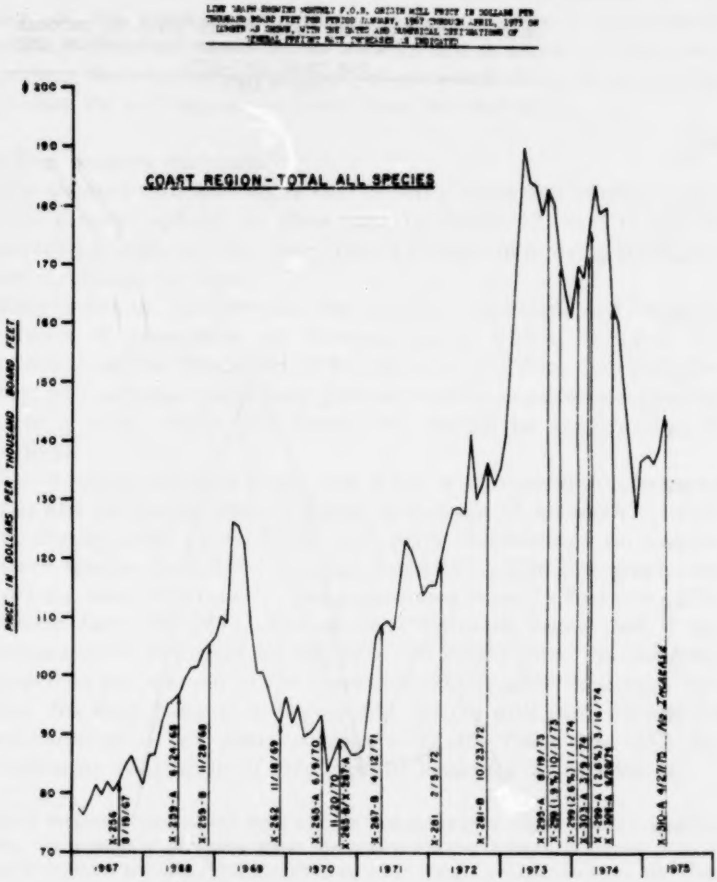
Figure 11

INDEX OF ANNUAL HOUSING STARTS (SOLID LINE) VS. DECEMBER
YEAR TO DATE COAST ALL SPECIES LUMBER PRICE (BROKEN LINE)
FOR YEARS 1967-1974
(1967 = 100)



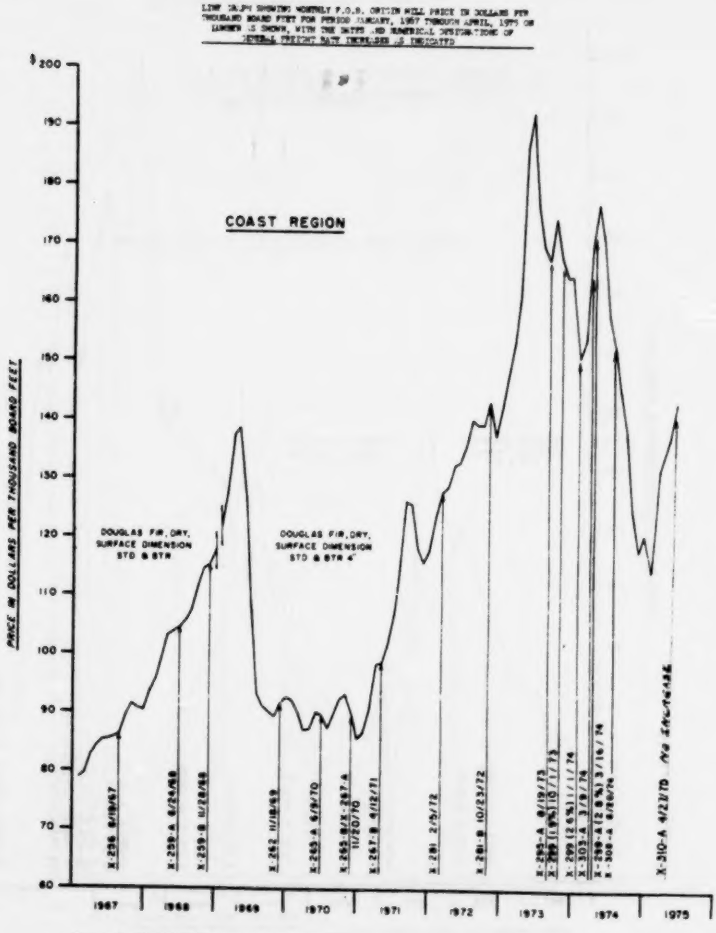
Source: Housing Starts (Series C-20) as reported by U.S. Dept. of Commerce; *Monthly F.O.B. Price Summary Past Sales*, Western Wood Products Association.

Figure 12



Source: Monthly F.O.B. Price Summary Past Sales Western Wood Products Association. Portland, Oregon

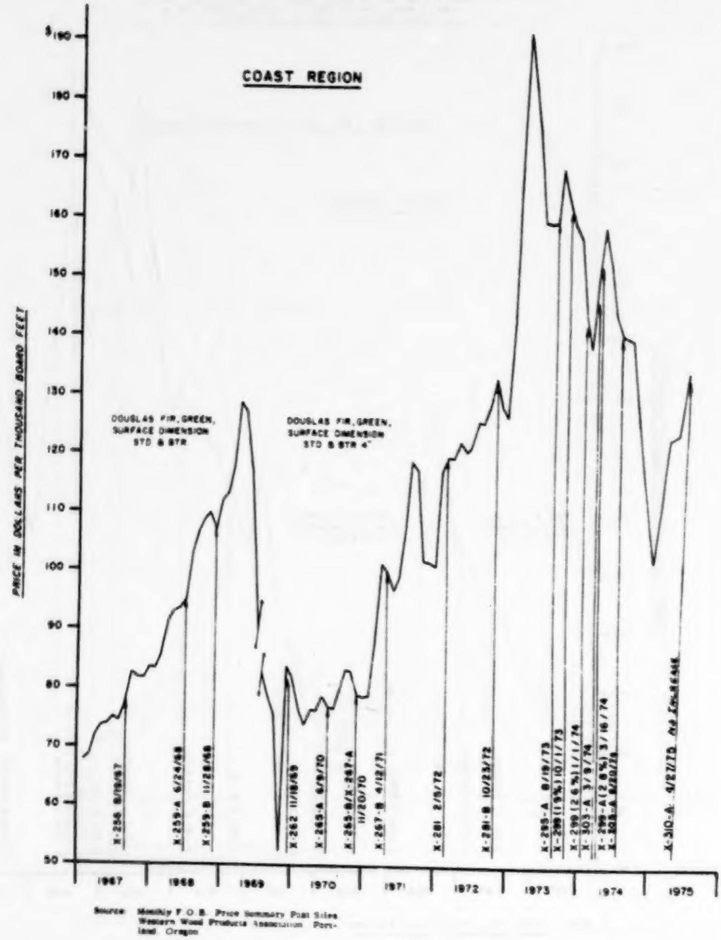
Figure 13



Source Monthly F.O.B. Price Summary Past Sales Western Wood Products Association, Portland, Oregon

Figure 14

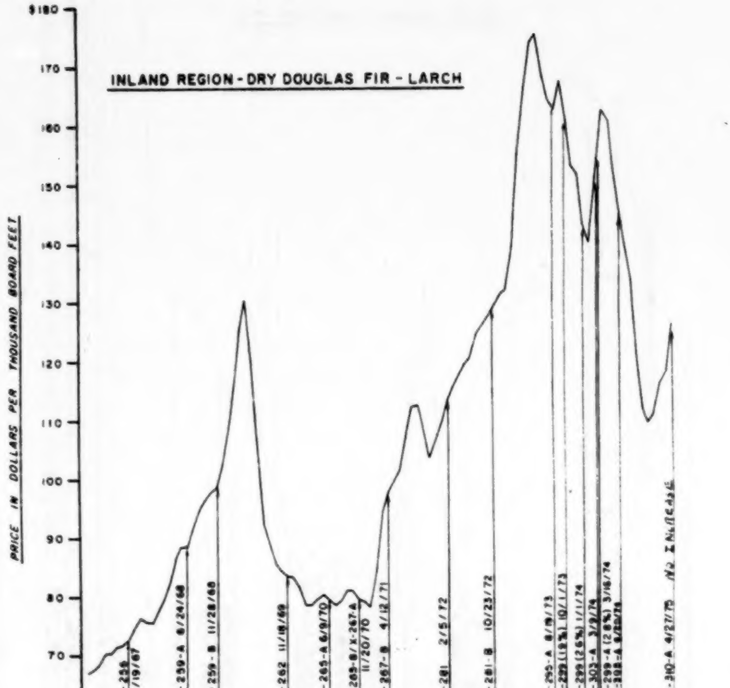
LINE GRAPH SHOWING MONTHLY F.O.B. OREGON MILL PRICE IN DOLLARS PER THOUSAND BOARD FEET FOR PERIOD JANUARY, 1967 THROUGH APRIL, 1975 ON LUMBER AS SHOWN, WITH THE DATES AND NUMERICAL DESIGNATIONS OF GENERAL FREIGHT RATE INCREASES AS INDICATED.



Source: Monthly F.O.B. Price Summary Past Sales Western Wood Products Association Portland Oregon

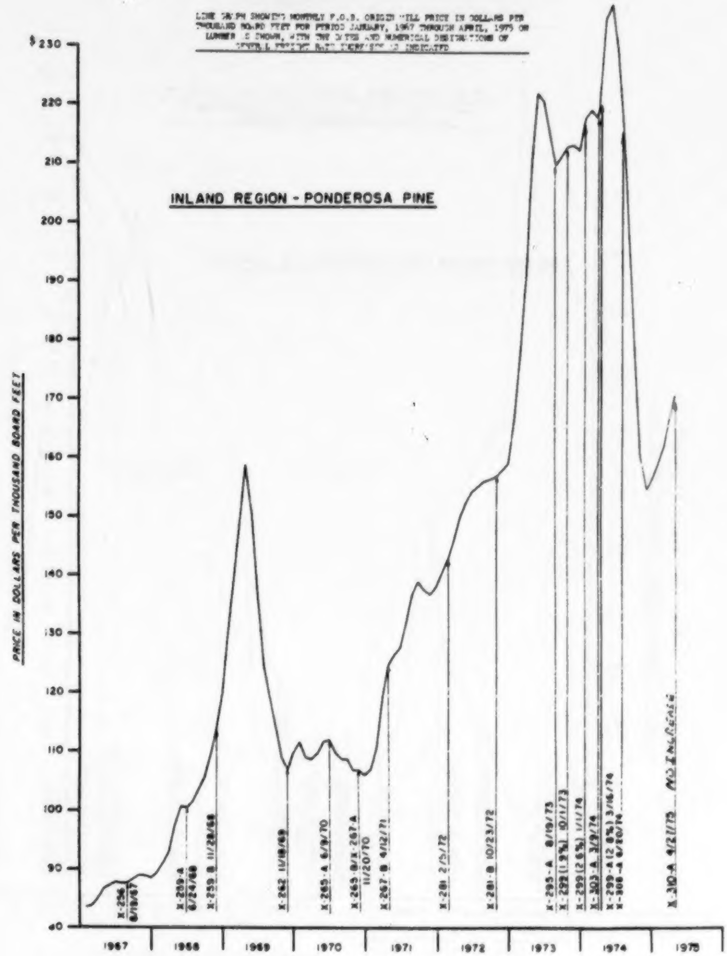
Figure 15

LINE GRAPH SHOWING MONTHLY F.O.B. ORIGIN MILL PRICE IN DOLLARS PER THOUSAND BOARD FEET FOR PERIOD JANUARY, 1967 THROUGH APRIL, 1975 ON LUMBER AS SHOWN, WITH THE DATES AND NUMERICAL DESIGNATIONS OF GENERAL FREIGHT RATE INCREASES AS INDICATED



Source: Lumber Price Trends. Inland Mills.
Western Wood Products Association
Portland Oregon

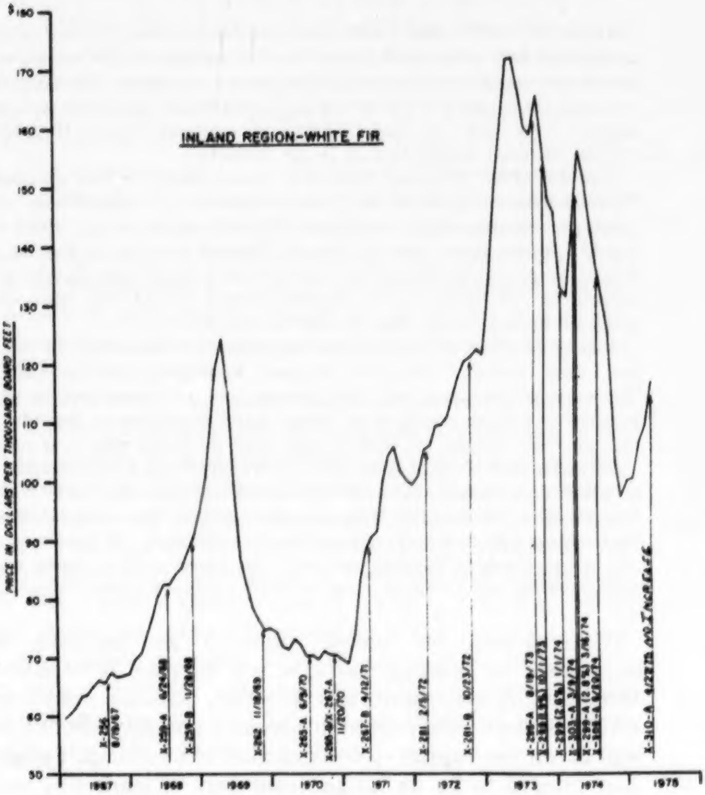
Figure 16



Source: Lumber Price Trends Inland Mills
Western Wood Products Association
Portland, Oregon

Figure 17

LINE GRAPH SHOWING MONTHLY F.O.B. ORIGIN MILL PRICE IN DOLLARS PER THOUSAND BOARD FEET FOR PERIOD JANUARY, 1967 THROUGH APRIL, 1975 ON LUMBER AS SHOWN, WITH THE DATES AND NUMERICAL DESIGNATIONS OF GENERAL FREIGHT RATE INCREASES AS INDICATED



Source: Lumber Price Trends, Inland Mills
Western Wood Products Association,
Portland, Oregon

As shown in figure 11 prices correlate to housing starts, which are the catalysts for marketing activity in the lumber, plywood, and building materials industries. The formation of family units is the first concomitant to the creation of a demand for housing.

The western railroads cited "Crow's Weekly Letter" as a source regarding significant factors affecting lumber and plywood marketing. During the latter part of 1974 and in 1975, considerable concern was voiced about availability of capital and interest rates for home construction. Following are representative comments:

> *August 23, 1974.*—The NAHB cites construction firm failures as up to 53% in dollars and 29% in numbers for the first five months of 1974 compared to the same period last year for the highest first five month on record. The association research indicated the presence of 441,000 unsold new units on the market *as a result of record interest rates and the unavailability of mortgage funds.* [Emphasis supplied. NAHB—National Association of Home Builders.]
>
> *June 28, 1974*—[Quoting Bronson J. Lewis, executive vice president, American Plywood Association, at the APA annual meeting in Portland, Oreg.:] For this year, Lewis provisionally stood by existing APA predications for 1.7 million housing starts and 17.1 billion square feet of softwood plywood production. A home building turn around in the second half will be necessary to achieve these figures, and it is "fully capable of realization" *if the Federal Reserve Board will relax its squeeze on mortgage money,* Lewis said. [Emphasis supplied.]
>
> *January 24, 1975.*—"The situation has changed substantially for the better in the past three months," declared Michael Sumichrast, NAHB Chief Economist. "Nonetheless," he cautioned, "the recovery and turnaround will be slow. Since the purchase of a house usually is the largest single investment an individual ever makes, the economic climate for such a move must be better than it is today."
>
> Characteristics of the general economy are improving it was stressed. "The current problem is not whether, but when the outlook will improve," stated NAHB Executive Vice President Nathaniel H. Rogg, who itemized plus factors as: (1) *Money is coming back rates are declining, (2) interest rates are declining, (3) housing needs remain at record high levels, (4) building material prices appear to be declining, and (5) both the administration and Congress seem willing to help.* [Emphasis supplied.]

Thus demand for lumber, plywood, and building materials is dependent on housing starts, which, in turn, is dependent on the formation of family units and monetary policies, public and private, which must provide capital in adequate quantity and at a price which will divert the capital to construction of dwellings. Freight rates are now alleged to be an insignificant part of marketing determinants compared to the family units and availability of capital.

The western railroads also state that statistical data shows that rate increases in the inflationary period beginning in 1967 and 1968 have not impeded the flow of long-haul lumber from the West to the East and South. The amount of the rail rate increase on the longest hauls for forest products on the North American continent, i.e. from mountain Pacific territory to the east coast, is a lesser percent of the f.o.b. mill price with the Ex Parte No. 313 increase than it was in 1967. Table 83, showing the rail rate as a percent of f.o.b. mill price of lumber on the Pacific coast, using a maximum freight rate paid by U.S. Western producers to market their product on the east coast (official territory), demonstrates that for the period 1967 through 1974, the rate expressed as a percent of the composite yearly f.o.b. mill-coast all-species lumber price varied from 27 percent in 1973 to 47 percent in 1970. The freight rate would have been 40 percent of the f.o.b. mill price in April 1975 if the Ex Parte No. 313 increase had been effective in April, and would have been in the middle of the range for the period 1967 through 1974, i.e., 27 percent to 47 percent. There was an increase in the composite f.o.b. coast mill price in the first 4 months of 1975. The April 1975 price is higher than the yearly composite price for every year shown except 1973 and 1974. This, according to the western railroads, is further evidence that prices move independently of freight rates, and that the granting or withholding of rail freight rate increases has no impact on prices or movements, except to the extent it deprives carriers of needed revenues to provide a more adequate supply of equipment and service.

Prices of lumber and forest products have moved independently of freight rates. There is evidence that the response to a demand in the export market by price of stumpage (logs) has resulted in runaway prices for western logs. Table 84 shows the considerable growth of log exports through west coast ports for the period 1961 through 1974. The total exported in 1974 was less than 1973; however it was over six times higher than the exports in 1961 and was higher than any year in the 13-year period except 1970, 1972, and 1973. However, as shown in table 85 prices in 1974 for west coast Douglas-fir saw timber averaged $202.85 per million board feet, substantially higher than any year during the period 1961 through 1973. The fourth quarter price of $155.48 per thousand board feet was higher than the 1973 composite price.

TABLE 83

Rail rate as a percent of f.o.b. mill price of lumber on the Pacific coast using the maximum rate paid to official territory from coast points, for years 1967 through 1974 and the first 4 months of 1975

Year	Composite yearly f.o.b. mill coast total all species lumber price	Coast-to-New York rail rate	Rail rate per thousand board feet	Rate as a percent of price
1967	$81.30	$1.44	$33.84	42
1968	97.22	1.51	35.49	37
1969	108.36	1.60	37.60	35
1970	89.57	1.80	42.30	47
1971	110.67	1.85	43.48	39
1972	129.24	1.91	44.89	35
1973	173.12	2.01	47.24	27
1974	163.19	2.33	54.76	34
1975	Actual month			
January	128.45	2.33	54.76	43
February	136.06	2.33	54.76	40
March	138.64	2.33	54.76	39
		X-305 X-313	X-305 X-313	X-305 X-313
April	144.71	2.33 2.45	54.76 57.58	38 40

Rail rates converted to thousand board feet on basis of 2,350 pounds per thousand board feet.
Source: Lumber prices from "Monthly F.O.B. Price Summary Past Sales," Western Wood Products Association, Portland, Oreg.
Trans-Continental Freight Bureau, Agent, Tariff 17-V, I.C.C. 1743.

TABLE 84

Log exports through Washington, Oregon, and northern California ports 1961-1974

(IN THOUSANDS OF BOARD FEET)

Year	Volume of logs exported	Index 1961-100
1961	363,626	100
1962	348,692	96
1963	747,445	206
1964	848,214	233
1965	915,757	252
1966	1,130,962	311
1967	1,614,918	444
1968	2,185,845	601
1969	2,077,537	571
1970	2,408,193	662
1971	1,939,581	533
1972	2,714,607	747
1973	2,743,943	755
1974	2,267,102	623

Source: "Production, Prices, Employment and Trade in Northwest Forest Industries," Fourth Quarter 1974, U.S. Forest Service, pp. 16, 22.

TABLE 85

Prices for west coast Douglas-fir saw timber sold from national forests in Oregon and Washington—1961-1974

Year	Average price per thousand board feet	Index 1961-100
1961	$27.60	100
1962	24.80	90
1963	28.00	101
1964	38.10	138
1965	42.60	154
1966	50.00	181
1967	41.70	151
1968	61.20	222
1969	82.20	298
1970	41.90	152
1971	49.10	178
1972	71.70	260
1973	137.70	499
1974:		
1st Quarter	204.10	739
2nd Quarter	244.50	886

*Prices for west coast Douglas-fir saw timber sold from national forests in Oregon and Washington—1961-1974—*Continued

Year	Average price per thousand board feet	Index 1961-100
1974—Continued:		
3rd Quarter	221.30	802
4th Quarter	155.48	563
1974 Average	202.85	735

Source: "Production, Prices, Employment and Trade in Northwest Forest Industries," Fourth Quarter 1974, U.S. Forest Service, p. 44.

In mid 1973, the Senate Committee on Banking, Housing and Urbans Affairs considered legislation to limit the exportation of logs harvested from Federal lands west of the 100th meridian. (The preponderance of western timber is located west of the 100th meridian.) The Senate Committee stated in part:

> This legislation is intended to increase the domestic supply of softwood lumber and thereby exert downward pressure on lumber prices at the wholesale and retail levels in order to help this nation meet its housing goal of 26 million units of new and rehabilitated housing during the decade ending in 1978.

Public Law 93-120 set up constraints on the sale for export of unprocessed timber from Federal lands west of the 100th meridian, and prohibited use of such timber as a substitute for timber exported from private lands. 87 Stat. 447 (1973). According to the western railroads, tables 84 and 85 indicate that the objective of the law has not been realized. The exportation of logs in 1974 was still high. The price in 1974, even in the fourth quarter, was substantially higher than in 1973.

The western railroads allege that this kind of influence on the price of lumber and the availability of saw timber for the production of lumber for domestic markets is significantly more important than freight rate increases. For example, the increase in log prices, 1974 over 1968, was $141.65 per thousand board feet (table 85) or approximately $113.32 per thousand board feet of lumber. The increase in the maximum rail rate paid from the Pacific coast to New York was $19.27 per thousand board feet (table 83). These calculations are based on a ratio of board feet of lumber to board feet of sawlogs of 1.25. Depending on the efficiency of the plant and the size and quality of the logs, this ratio will vary from 1.1 to 1.4. The rail rate per thousand board feet is calculated on the basis of a thousand board feet of lumber weighing 2,350 pounds, a weight used by WWPA in their calculations.

The western railroads contend that there is further evidence of the insignificance of the transportation charge in the sale and movement of lumber for longer hauls in table 86. Lumber from British Columbia moves at maximum rates, which are the same or higher than United States Pacific region rates. Yet, at the same or higher rates than are paid by the Western United States producer, British Columbia shippers moved 176 million more board feet of lumber to the Northeast in 1974 than they did in 1967. During the same period the South increased its movement by only 28.5 million board feet. In 1974 British Columbia shippers moved 341 million board feet more lumber to the north central region than in 1967. To both the northeast and north central regions, British Columbia shipments increased by 517 million board feet; southern shipments increased by only 12.3 million board feet. There were labor problems in British Columbia for part of 1974, which account for a part of the reduction from British Columbia in 1974 compared to 1973. The total volume from British Columbia is more than double the volume from the south to the northeast and north central regions.

TABLE 86

Shipments of softwood lumber by rail from British Columbia[1] compared with rail shipments from South[1] to northeast and north central regions of the United States

(IN MILLIONS OF BOARD FEET)

Year	From	To		Total
		Northeast	North central	
(a)	(b)	(c)	(d)	(e)
1967	British Columbia	330.0	1,386.0	1,716.0
	South	110.3	777.6	887.9
1968	British Columbia	368.0	1,606.0	1,974.0
	South	94.6	931.6	1,026.2
1969	British Columbia	396.0	1,806.0	2,202.0
	South	99.1	952.5	1,051.6
1970	British Columbia	386.0	1,721.0	2,107.0
	South	96.3	887.7	984.0
1971	British Columbia	423.0	2,248.0	2,671.0
	South	84.0	1,049.5	1,133.5
1972	British Columbia	503.0	2,437.0	2,940.0
	South	114.9	1,002.3	1,117.2

Shipments of softwood lumber by rail from British Columbia[1] *compared with rail shipments from South*[2] *to northeast and north central regions of the United States*—Continued

(IN MILLIONS OF BOARD FEET)—Continued

Year (a)	From (b)	To: Northeast (c)	To: North central (d)	Total (e)
1973	British Columbia	572.0	2,221.0	2,793.0
	South	110.7	835.7	946.4
1974	British Columbia	506.0	1,727.0	2,233.0
	South	138.8	761.4	900.2

[1] British Columbia shipments include a small amount of hardwoods.

[2] Shipments from South to Northeast include a destination category "other" which the SFPA describes as "Includes States not individually listed, principally the New England States."

Source: Southern shipments from SFPA's reports of shipments expanded to 100 percent based on total estimated shipments from southern region reported by National Forest Products Association. Shipments from British Columbia, 1967-1968 based on WWPA report of September 1971 and Young's Forecasts; 1969-1971, Council of Forest Industries of British Columbia; 1972-1973, Statistics Canada.

The western railroads presented table 87 to show the lack of any adverse impact by rate increases on the movement of lumber from British Columbia and the Western United States to the heart of the southern producing region. Table 87 shows that during this period of inflation-oriented rate increases, the British Columbia and Western United States shippers were able to increase their tonnage to the South every year until 1973 and 1974. More significantly, the ratio of shipments from the South to the South versus British Columbia and Western United States to the South declined from 1969 through 1973, from 1.69 in 1969 to 1.41 in 1974.

TABLE 87

Shipments of softwood lumber by rail and truck from U.S. South compared with rail shipments from British Columbia[1] and Western United States to the southern region of the United States

(IN MILLIONS OF BOARD FEET)

Year (a)	By rail from British Columbia and West (b)	By rail and truck from U.S. South (c)	Ratio South v. British Columbia and West (d)
1969	3,141	5,304.3	1.69
1970	3,304	5,372.7	1.63
1971	3,917	6,054.4	1.55
1972	4,685	6,341.2	1.35
1973	4,434	5,745.2	1.30
1974	3,538	5,005.0	1.41

[1] Shipments from British Columbia include a small amount of hardwoods.

Source: U.S. shipments from WWPA, California Redwood Association, and SFPA's reports of shipments expanded to 100 percent based on total estimated shipments from western and southern regions reported by National Forest Products Association. Shipments from British Columbia, 1969-1971, Council of Forest Industries of British Columbia; 1972-1974, Statistics Canada.

Thus, the western railroads note that the South lost ground to the Western United States and British Columbia in the closest market, the heart of the location of southern production. This improved position of British Columbia lumber is of added significance since it involves, for the most part, meeting short-haul truck competition with long-haul rail facilities and service.

The western railroads also note that the western share of total softwood production has increased from 55 to 70 percent over the past 30 years, while southern production has declined from 37.1 percent to less than 25 percent for the same period, as seen in table 88.

TABLE 88

U.S. softwood lumber production 1946-1974

(IN BILLIONS OF BOARD FEET)

Year	Total	West	Percent of total	South	Percent of total
1946	25.9	14.4	55.6	9.6	37.1
1947	28.0	16.3	58.2	9.6	34.3
1948	29.6	17.8	60.1	9.2	31.1

U.S. softwood lumber production 1946-1974—Continued

(IN BILLIONS OF BOARD FEET)—Continued

Year	Total	West	Percent of total	South	Percent of total
1949	26.5	16.5	62.3	8.5	32.1
1950	30.6	18.6	60.8	10.2	33.3
1951	29.5	18.9	64.1	8.9	30.2
1952	30.2	19.7	65.2	9.2	30.5
1953	29.6	19.9	67.2	8.1	27.4
1954	29.3	20.0	68.3	7.7	26.3
1955	29.8	20.7	69.5	7.7	25.8
1956	30.2	20.5	67.9	8.2	27.2
1957	27.1	18.6	68.6	6.7	24.7
1958	27.4	19.7	71.9	6.4	23.4
1959	30.5	22.0	72.1	7.0	23.0
1960	26.7	19.6	73.4	5.9	22.1
1961	26.1	19.2	73.6	5.8	22.2
1962	26.8	19.9	74.3	5.9	22.0
1963	27.6	20.3	73.6	6.1	22.1
1964	29.3	21.7	74.1	6.6	22.5
1965	29.3	21.6	73.7	6.8	23.2
1966	28.8	21.2	73.6	6.7	23.3
1967	27.3	19.8	72.5	6.6	24.2
1968	29.3	21.3	72.7	7.0	23.9
1969	28.3	20.1	71.0	7.3	25.8
1970	27.5	19.4	70.5	7.2	26.2
1971	30.0	21.3	71.0	7.9	26.3
1972[2]	31.2	22.1	70.8	8.2	26.3
1973[2]	31.5	22.7	72.1	7.8	24.8
1974[2]	27.7	19.6	70.8	6.8	24.5

[1] Totals do not equal sum of western and southern production because of relatively minor production other U.S. regions.

[2] Preliminary estimates.

Source: 1946-49—The Demand and Price Situation for Forest Products 1964; 1950-73—The Demand and Price Situation for Forest Products 1973-74; and 1974—WWPA Western Lumber Facts.

The western railroads note that plywood and lumber have always taken the same rates except where specific competitive conditions require different treatment. Marketing characteristics are similar, and the controversy about long-haul/short-haul impact of percentage increases are usually the same. Since about 1964, when technological improvements in glue permitted quality lamination of wood veneer derived from southern species, plywood production in the South has grown dramatically. Table 89 shows U.S. total western and total southern production of softwood plywood for the period 1964 through 1974. By 1969 production in the South was about 2.4

billion square feet. In 1971, the southern production was 4.4 billion square feet, an 83-percent increase. By 1974, the southern production was 5.1 billion square feet, an increase of 16 percent over 1971.

TABLE 89

Softwood plywood production in the United States

(IN BILLIONS OF SQUARE FEET—3/8" BASIS)

Year	Total	West production	Percent of total	South production	Percent of total
1946	1.4	1.4			
1947	1.6	1.6			
1948	1.9	1.9			
1949	1.9	1.9			
1950	2.6	2.6			
1951	2.9	2.9			
1952	3.0	3.0			
1953	3.7	3.7			
1954	3.9	3.9			
1955	5.1	5.1			
1956	5.2	5.2			
1957	5.5	5.5			
1958	6.3	6.3			
1959	7.8	7.8			
1960	7.8	7.8			
1961	8.6	8.6			
1962	9.5	9.5			
1963	10.2	10.2			
1964	11.7	11.6	99	0.1	1
1965	12.4	12.0	97	.4	3
1966	13.1	11.9	91	1.1	9
1967	13.0	11.2	86	1.8	14
1968	14.7	12.3	84	2.4	16
1969	13.7	10.8	79	2.9	21
1970	14.3	11.0	77	3.3	23
1971	16.6	12.2	73	4.4	27
1972	18.3	13.0	71	5.3	29
1973	18.3	12.7	69	5.6	31
1974	15.9	10.7	68	5.1	32

Source: American Plywood Association.

Western production has declined only approximately 1.6 billion square feet over this same 6-year period. In 1974 the western production was more than twice the amount of southern production. Both areas have enjoyed an expanding market. Of the 5 billion square feet by which production in the South increased from 1964, when production began in the South, to 1974, a maximum of about 2 billion square feet could have been obtained at the expense of the West.

The western railroads state that car shortages, a recurring problem in the industry, influence the price of forest products in times of high demand.

The effect of car shortages on the plywood industry is shown by selected excerpts from the publication of the American Plywood Association (APA) entitled "Management Report":

> *March 27, 1973.*—Amid reports the Administration will act to increase the supply of rail boxcars, the car shortage continued to plague the softwood plywood industry. At the latest count the industry was 1,371 cars short out of 3,332 cars required.
>
> *April 10, 1973.*—[Quoting APA Executive Vice President Bronson J. Lewis' testimony before the Cost of Living Council, the hearing called "to determine what wage and price control actions might effectively contribute to restraining lumber and plywood prices":] A far more necessary action on the part of regulatory authorities is the critical need to alleviate the rail boxcar shortage—a situation now reaching the point where the plywood industry is up to 60 percent short of cars in the West in any given week. Even adequate raw material supply, a continuation of the transportation crisis will work strongly price upward.
>
> *October 9, 1973.*—[Quoting APA Executive Vice President Bronson J. Lewis:] We estimate that some 24 percent of the 18.6 billion square feet of plywood expected to be produced in 1973 will be consumed in the area served by the Penn Central and the other bankrupt railroads. Closure of these lines will drastically curtail the ability of home builders, industrial users and those engaged in remodeling or renovation to get the wood products they need.

The western railroads object to so-called unremitting opposition to cost-oriented rate increases during a time when, they contend, the forest products industry faces critical constraints imposed by the car supply and service problem.

According to the western railroads, statistical data refutes the argument that rate spreads between the South and West have created a problem for western producers. Tables 90 and 91 restate exhibits presented in various ex parte proceedings by WWPA showing lumber rate comparisons, Portland, Oreg., versus Hattiesburg, Miss., to Chicago, Ill., and Portland, Oreg., versus Elizabeth City, N.C., to New York, N.Y., using constant dollar base in order that the money values are the same. The constant dollar spread, Portland versus Hattiesburg at Chicago, Ill., at the Ex Parte No. 313 level is only 3 cents cwt. more than existed in 1943. Table 91 shows a *reduction* in rate spreads on a constant dollar basis, Portland versus Elizabeth City, N.C., at the Ex Parte No. 313 level to New York. Table 92 compares the unadjusted rate on lumber and the constant dollar rate from Portland, Oreg., to Chicago with the unadjusted price and constant value price for 2-by-4 Douglas-fir lumber. The exhibit covers the years 1943 through 1975 and indexes the constant value rate and price for this period. Using 1943 as the base year for both the rate and price it is shown that on a constant value basis freight rates have fallen to 94 percent of the rate in 1943 while lumber prices on a constant value basis are 43 percent higher than the 1943 price. Thus, in 1973, a record year, the forest products industry enjoyed prices more than twice the price in 1943 on a constant value basis. On the other hand, rail freight rates in 1973 were but 93 percent of the constant value rate in 1943 accounting, in part, for the present dangerous financial position of the railroads.

TABLE 9U

Lumber rate comparison— Portland, Oreg. v. Hattiesburg, Miss., to Chicago, Ill.

(RATES IN CENTS PER CWT.)

Date		Based on the 1943 dollar value[1]		
		From		Spread
		Portland	Hattiesburg	
(a)		(b)	(c)	(d)
May 15, 1943		75.5	40.0	35.5
January 1, 1947	Ex Parte No. 162	65.1	36.5	28.6
August 21, 1948	Ex Parte No. 166	75.3	42.8	32.5
September 1, 1949	Ex Parte No. 168	80.0	47.4	32.6
December 1, 1955	Ex Parte No. 175	77.2	47.5	29.7
March 7, 1956	Ex Parte No. 196	78.2	48.9	29.3
October 15, 1956	Adjustment	77.6	48.9	28.7
August 26, 1957	Ex Parte No. 206	80.1	51.3	28.8
February 15, 1958	Ex Parte No. 212	79.5	51.1	28.4
June 1, 1959	Southern adjustment	78.3	44.2	34.1
October 24, 1960	Ex Parte No. 223	77.5	44.0	33.5
December 1, 1961	I. & S. No. 7558	72.7	43.4	29.3
July 10, 1964	Southern adjustment	[3]70.0	28.5	41.5
August 19, 1967	Ex Parte No. 256	[2]66.2	27.4	38.8
November 28, 1968	Ex Parte No. 259	[2]66.9	27.6	39.3
November 18, 1969	Ex Parte No. 262	[2]67.8	27.9	39.9
June 9, 1970	Ex Parte No. 265-A (5%)	[2]67.6	27.6	40.0
November 20, 1970	Ex Parte No. 265-B (6%)	[2]68.1	28.1	40.0
November 20, 1970	Ex Parte No. 267-A (6%)	[3]72.3	29.7	42.6
April 12, 1971	Ex Parte No. 267-B (12% Maximum 15¢)	[3]71.1	30.2	40.9

Lumber rate comparison— Portland, Oreg. v. Hattiesburg, Miss., to Chicago, Ill.—Continued

(RATES IN CENTS PER CWT.)—Continued

Date		Based on the 1943 dollar value[1]		
		From		Spread
(a)		Portland (b)	Hattiesburg (c)	(d)
February 5, 1972	Ex Parte No. 281 (2 1/2% Maximum 2¢)	[2]69.6	29.9	39.7
October 23, 1972	Ex Parte No. 281-B (5% Maximum 4¢)	[2]70.4	30.7	39.7
August 19, 1973	Ex Parte No. 295-A (3%)	[2]68.5	30.1	38.4
October 1, 1973	Ex Parte No. 299 (1.97%)	[2]69.9	30.8	39.1
January 1, 1974	Ex Parte No. 299 (2.6%)	[2]63.8	27.9	35.9
March 16, 1974	Ex Parte No. 299-A (2.8%)	[2]63.8	28.0	35.8
March 9, 1974	Ex Parte No. 303-A (4%)	[2]66.4	29.2	37.2
June 20, 1974	Ex Parte No. 305 (3.3% Maximum 10¢)	[2]72.1	33.2	38.9
April 27, 1975	Ex Parte No. 310 (No increase)	[2]67.6	31.1	36.5
Proposed	Ex Parte No. 313 (5%)	[2]71.1	32.6	38.5
Do	Ex Parte No. 313 (2.5%)	[2]72.6	33.4	39.2

[1] Rates are shown on a constant dollar basis rather than current dollars for a better unit of measurement. This is based on the implicit price deflator (computed by dividing current dollar data by constant dollar data). Source: "Business Conditions Digest" year 1969. Current deflators taken from later issues and the April 1975 issue.

[2] Figured on the basis of 75,000-pound shipment. Any additional weight in car results in a lower rate per cwt.

TABLE 91

Lumber rate comparison—Portland, Oreg. v. Elizabeth City, N.C., to New York, N.Y.

(RATES IN CENTS PER CWT.)

Date		Based on 1943 dollar value[1]		
		From		Spread
(a)		Portland (b)	Elizabeth City (c)	(d)
May 13, 1943		82.0	26.0	56.0
January 1, 1947	Ex Parte No. 162	70.1	23.6	46.5
August 21, 1948	Ex Parte No. 166	79.9	27.8	52.1
September 1, 1949	Ex Parte No. 168	84.7	30.9	53.8
December 1, 1955	Ex Parte No. 175	81.3	30.7	50.6

Lumber rate comparison—Portland, Oreg. v. Elizabeth City, N.C., to New York, N.Y.—Continued

(RATES IN CENTS PER CWT.)—Continued

Date		Based on 1943 dollar value[1]		
		From		Spread
		Portland	Elizabeth City	
(a)		(b)	(c)	(d)
March 7, 1956	Ex Parte No. 196	82.2	31.4	50.8
October 15, 1956	Adjustment	81.6	31.4	50.2
August 26, 1957	Ex Parte No. 206	83.9	33.2	50.7
February 15, 1958	Ex Parte No. 212	83.5	32.9	50.6
June 1, 1959	Southern adjustment	82.2	23.5	58.7
October 24, 1960	Ex Parte No. 223	81.4	23.4	58.0
December 1, 1961	I. & S. No. 7558	76.5	23.1	53.4
July 10, 1964	Southern adjustment	[2]73.6	17.9	55.7
August 19, 1967	Ex Parte No. 256	[2]69.6	17.4	52.2
November 28, 1968	Ex Parte No. 259	[2]70.1	17.6	52.5
November 18, 1969	Ex Parte No. 262	[2]70.9	17.6	53.3
June 9, 1970	Ex Parte No. 265-A (5%)	[2]70.6	17.5	53.1
November 20, 1970	Ex Parte No. 265-B (6%)	[2]71.4	17.9	53.5
November 20, 1970	Ex Parte No. 267-A (6%)	[2]75.6	19.1	56.5
April 12, 1971	Ex Parte No. 267-B (12% Maximum 15¢)	[2]74.3	19.3	55.0
February 5, 1972	Ex Parte No. 281 (2 1/2% Maximum 2¢)	[2]72.7	19.1	53.6
October 23, 1972	Ex Parte No. 281-B (5% Maximum 6¢)	[2]74.3	19.8	54.5
August 19, 1973	Ex Parte No. 295-A (3%)	[2]72.5	19.4	53.1
October 1, 1973	Ex Parte No. 299 (1.9%)	[2]74.0	19.7	54.3
January 1, 1974	Ex Parte No. 299 (2.6%)	[2]67.4	17.9	49.5
March 16, 1974	Ex Parte No. 299-A (2.8%)	[2]67.8	18.2	49.6
March 9, 1974	Ex Parte No. 303-A (4%)	[2]70.4	18.8	51.6
June 20, 1974	Ex Parte No. 305 (3.3% Maximum 15¢)	[2]77.8	21.2	56.6
April 27, 1975	Ex Parte No. 310 (No increase)	[2]72.9	19.9	53.0
Proposed	Ex Parte No. 313 (5%)	[2]76.7	20.8	55.9
Do	Ex Parte No. 313 (2.5%)	[2]78.3	21.4	56.9

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[1] Rates are shown on a constant dollar basis rather than current dollars for a better unit of measurement. This is based on the implicit price deflator (computed by dividing current dollar data by constant dollar data). Source: "Business Conditions Digest," year 1969. Current deflators taken from later issues and the April 1975 issue.

[2] Figured on the basis of 75,000-pound shipment. Any additional weight in car results in a lower rate per cwt.

TABLE 92

Comparison of rail freight rates on lumber from Portland, Oreg., to Chicago, Ill., unadjusted and adjusted to reflect constant value and the price of Douglas fir lumber as defined, unadjusted and adjusted to reflect constant price (Restatement of WWPA appendix 10, Ex Parte No. 267 for years 1943-1969 and updated 1970 through 1975 (Ex Parte No. 313)

Lumber rates, Portland, Oreg., to Chicago, Ill., on constant value basis 1943 units[1]				Douglas fir lumber prices 2 by 4 dimension, construction, dried random length on constant value basis—1943 units[1]		
Rates in cents per cwt.				Prices in dollars per board foot		
Date	Unadjusted rate	Constant value rate	Index	Unadjusted price	Constant value price	Index
1943	75.5	75.5	100	32.43	32.43	100
1947	85.5	65.1	86	66.45	50.57	156
1948	105.5	75.3	100	72.45	51.73	160
1949	111.5	80.0	106	63.40	45.52	140
1955	123.5	77.2	102	87.18	54.49	168
1956	128.5	77.6	103	86.38	52.17	161
1957	137.5	80.2	106	79.66	46.44	143
1958	140.0	79.5	105	(NA)	(NA)	------
1959	140.0	78.3	104	(NA)	(NA)	------
1960	141.0	77.5	103	81.13	44.62	138
1961	134.0	72.7	96	78.69	42.72	132
1964	134.0	70.0	93	81.14	42.37	131
1967	137.0	66.2	88	85.54	41.32	127
1968	144.0	66.9	89	107.85	50.09	154
1969	153.0	68.3	90	113.52	50.66	156
1970[2]	172.0	72.3	96	92.21	38.74	119
1971[2]	177.0	71.0	94	117.68	47.20	146
1972[2]	181.0	70.4	93	144.27	56.09	173
1973[2]	190.0	69.9	93	181.86	66.93	206
1974[2]	216.0	72.1	95	158.84	53.02	163
Proposed Ex Parte No. 313 1975[1].	227	71.1	94	147.29	46.31	143

[1] Rates and prices are shown on a constant dollar basis rather than current dollars for a better unit of measurement. This is based on the implicit price deflator (computed by dividing current dollar data by constant dollar data). Published in the "Business Conditions Digest," year 1969. Current deflators from later issues and the April 1975 issue.

[2] Figured on basis of 75,000-pound shipment. Any additional weight in car results in lower rate per cwt.

Source: Lumber prices: "Survey of Current Business," April 1975 and "Business Statistics" 1961 and 1971 editions. Appendix 10, verified statement, James G. Manning, Ex Parte No. 267, Increased Freight Rates, 1971.

Regarding diversion, the western railroads contend that the western market is basically a short-haul market and the growth of movements by truck is essentially in this short-haul area. In the face of car shortages, the diversion to highway carriage will involve destinations to which the motor carrier offers a more efficient service. It is ridiculous, according to the western railroads, to make rate reductions when diversion occurs unless the objective of the reductions is an improvement in the carriers' revenue position. The western railroads state that in the case of lumber diversions the problem is complex because of cyclical demand, chronic equipment shortages and relative efficiencies, rail versus truck, for various mileages.

TABLE 93

Total softwood lumber shipments from western United States stated separately by rail and by truck for years 1967-1974

(IN MILLIONS OF BOARD FEET)

Year (a)	To West Rail (b)	Percent of total (c)	Truck (d)	Percent of total (e)	Total (f)
1967	1,946	39.6	2,963	60.4	4,909
1968	2,247	40.7	3,280	59.3	5,527
1969	2,356	42.0	3,249	58.0	5,605
1970	2,198	41.0	3,169	59.0	5,367
1971	2,757	42.5	3,736	57.5	6,493
1972	3,299	40.2	4,908	59.8	8,207
1973	2,964	36.8	5,101	63.2	8,065
1974	2,592	35.0	4,804	65.0	7,396

Source: WWPA and California Redwood Association's reports of shipments expanded to 100 percent based on total estimated shipments from western regions reported by National Forest Products Association.

TABLE 94

Total softwood lumber shipments from western United States stated separately by rail and by truck for years 1967-1974

(IN MILLION OF BOARD FEET)

Year (a)	To north central region Rail (b)	Percent of total (c)	Truck (d)	Percent of total (e)	Total (f)
1967	6,026	97.1	180	2.9	6,206
1968	6,150	97.3	173	2.7	6,323
1969	5,038	95.8	219	4.2	5,257

Total softwood lumber shipments from western United States stated separately by rail and by truck for years 1967-1974—Continued

(IN MILLION OF BOARD FEET—Continued)

	To north central region				
Year (a)	Rail (b)	Percent of total (c)	Truck (d)	Percent of total (e)	Total (f)
1970	4,768	95.3	234	4.7	5,002
1971	5,230	94.6	298	5.4	5,528
1972	5,287	94.2	328	5.8	5,615
1973	4,912	91.6	452	8.4	5,364
1974	4,087	88.9	510	11.1	4,597

Source: WWPA and California Redwood Association's reports of shipments expanded to 100 percent based on total estimated shipments from Western regions reported by National Forest Products Association.

TABLE 95

Total softwood lumber shipments from western United States stated separately by rail and by truck for years 1967-1974

(IN MILLION OF BOARD FEET)

	To South				
Year (a)	Rail (b)	Percent of total (c)	Truck (d)	Percent of total (e)	Total (f)
1967	2,790	96.2	109	3.8	2,899
1968	2,935	95.9	127	4.1	3,062
1969	2,575	94.7	144	5.3	2,719
1970	2,689	94.5	157	5.5	2,846
1971	3,037	94.7	169	5.3	3,206
1972	3,346	95.2	169	4.8	3,515
1973	3,040	95.8	133	4.2	3,173
1974	2,475	95.3	122	4.7	2,597

Source: WWPA and California Redwood Association's reports of shipments expanded to 100 percent based on total estimated shipments from Western regions reported by National Forest Products Association.

TABLE 96

Total softwood lumber shipments from western United States stated separately by rail and by truck for years 1967-1974

(IN MILLION BOARD FEET)

To northeast region

Year (a)	Rail (b)	Percent of total (c)	Truck (d)	Percent of total (e)	Total (f)
1967	1,543	99.9	1	0.1	1,544
1968	1,502	99.9	1	0.1	1,503
1969	1,351	99.9	2	0.1	1,353
1970	1,469	99.9	1	0.1	1,470
1971	1,511	99.9	1	0.1	1,512
1972	1,504	99.9	2	0.1	1,506
1973	1,530	99.9	2	0.1	1,532
1974	1,336	99.9	2	0.1	1,338

Source: WWPA and California Redwood Association's reports of shipments expanded to 100 percent based on total estimated shipments from Western regions reported by National Forest Products Association.

Tables 93 through 96 break down the rail and truck movements by census region. Table 93 shows the rail and truck movements for the years 1967 through 1974 from the coast and inland regions (western) to the West. Even though the highway movements have increased, the highway increase and the rail decrease for this 8-year study as a percent of total, has been less than 5 percent. The western railroads claim that this is not a significant difference, considering the car shortage that has existed for most of this period.

Table 94 shows the same statistical data to the north central region. There has been some diversion to highway, particularly for the years 1972 through 1974. During 1972 and 1973 and for the first half of 1974, car shortages existed to a degree the industry had never experienced. When shipments declined, as they did overall in 1974, the motor carrier tonnage increased slightly. The western railroads note that this is not an unusual occurrence when private carriage is used extensively and markets decline. The private highway vehicle is usually the last to be affected, while the rail movements are usually the first affected. However, the rail movement to the north central region in 1974 was still eight times that by highway and constituted almost 90 percent of the total movement. Therefore, this is not an alarming rail/truck distribution of traffic.

Tables 95 and 96 show the same data to the northeastern and southern markets. The percentage moving by truck to these markets is insignificant.

Finally, the western railroads note that the gross revenue derived by the major transcontinental lumber-originating railroads from the primary forest products groups has increased significantly during the years 1967 through 1975. They claim that this demonstrates that the ex parte general increases have not been self-defeating, but have actually enhanced the revenue position of these carriers. The following table sets forth the combined gross revenues of the Burlington Northern, Union Pacific, Southern Pacific, Santa Fe and Milwaukee railroads for the years indicated, as taken from the Q.C.S. report filed by those carriers with the Commission:

Combined gross revenues of BN, UP, ATSF, SP, and MILW by year for commodities indicated

Year	Lumber (STCC 2421)	Millwork (STCC 2431)	Plywood or veneer (STCC 2432)
	Millions	*Millions*	*Millions*
1967	$208.1	$6.6	$89.4
1968	235.6	7.8	102.7
1969	221.3	7.5	94.3
1970	224.9	7.3	97.4
1971	277.0	9.4	119.0
1972	306.1	12.1	130.5
1973	302.7	13.6	123.3
1974	280.4	12.2	112.2

The western railroads also submitted a study on the effect of the Interstate Commerce Commission's and railroad carriers' imposed holddowns on forest products[14] from Ex Parte No. 256 through Ex Parte No. 310. The holddowns imposed by the Interstate Commerce Commission are:

(1) Ex Parte No. 259, 6 percent on commodities generally with *a holddown on lumber of 5 percent.*

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[14] The STCC's of commodities included in this study are:

2421—Lumber and Dimension Stock;
2429—Misc. Sawmill and Planing Mill Products;
243—Millwork, Veneer, Plywood, prefab Strtl. Wood Products;
244—Wooden Containers; and
249—Miscellaneous.

(2) Ex Parte No. 267-B, 14 percent within the East, 12 percent within the West, 6 percent within the South, and 12 percent interterritorially with *a maximum of 15 ¢ cwt.*

The holddowns imposed by the rail carriers are:

(1) Ex Parte No. 281-B, 6 percent within the East, 5 percent within the West, 4 percent within the South, and 6 percent interterritorially with *a maximum of 4¢ per cwt. on rates not exceeding 180¢ per cwt. and a maximum of 6¢ per cwt. on rates of 181¢ and over.*

(2) Ex Parte No. 305-A, a 10-percent increase, with *a maximum of 10¢ per cwt. within the West and a maximum of 15¢ per cwt. on traffic between the West on the one hand and the East and South on the other.*

The western railroads' computations are based on the Commission statement No. TD-1, carload waybill statistics, 1966—"Territorial Distribution Traffic and Revenue by Commodity Classes." First, the percentage increases generally authorized by the Interstate Commerce Commission in Ex Parte No. 256 through Ex Parte No. 310 were applied to the waybill study to determine the amount of increase on forest products if the holddowns enumerated above had not been imposed by the Interstate Commerce Commission or the rail carriers. Secondly, the effect of the Interstate Commerce Commission's imposed holddowns on forest products in Ex Parte No. 259 and Ex Parte No. 267-B were computed. The third computation related to the effect of the rail-carriers-imposed holddowns in Ex Parte No. 281-B and Ex Parte No. 30-A. The western railroads claim that the effect of the holddowns was pyramided because they were imposed both by the Commission and by the railroads.

Set out in table 97, below, is the western railroads' estimated annual amount and percentage effect of the imposed holddowns since Ex Parte No. 256 on lumber traffic moving within the United States.

TABLE 97

Item	Estimated holddowns	
	Annual amount (2)	Percent (3)
(1)		
1. ICC imposed	$22,225,300	2.24
2. Railroad imposed	39,212,200	3.98
3. Common to both	13,482,200	1.37
4. Total	74,919,700	7.59

(3) ***WWPA.***—WWPA argues that, as seen in table 98, during the year 1967 the southern lumber producers shipped 708,400,000 board feet of lumber to the WTL. Table 99 shows that during the same year, the southern lumber producers shipped 800,500,000 board feet to official territory. During the year 1974, 647,700,000 board feet were shipped to WTL and 1,164,500,000 board feet to official territory by southern softwood lumber producers, for a total of 1,812,200,000 board feet. This was a total of 303,300,000 board feet of lumber shipped by southern producers to the two territories.

During the year 1967, the western region, including California redwood producers, shipped 2,978,600,000 board feet to WTL, as shown in tables 98 and 100. As shown in tables 99 and 101, the western producers, during 1967, shipped 3,480,000,000 board feet to official territory for a total to the two territories of 6,458,600,000 board feet. In 1974 shipments from the western producers to the same areas totaled 4,786,300,000 board feet.

TABLE 98

Distribution of lumber western region [1]v. southern pine region to WTL States

(IN MILLION BOARD FEET)

State	1967	1968	1969	1970	1971	1972	1973	1974
				Southern pine				
Illinois	282.7	306.3	291.8	276.3	323.7	316.0	258.7	219.3
Iowa	45.0	39.6	59.9	55.7	58.5	61.2	45.3	48.0
Missouri	311.1	359.2	269.9	267.8	355.9	356.6	323.9	296.9
Nebraska	4.6	4.7	11.6	10.7	3.6	6.5	6.2	9.2
Wisconsin	65.0	77.6	84.9	65.5	67.9	55.6	49.4	74.3
Total	708.4	787.4	718.1	676.0	809.6	795.9	683.5	647.7
				Western region[1]				
Illinois	903.9	937.1	711.0	603.5	724.2	671.2	646.2	534.7
Iowa	535.3	552.8	468.8	408.6	436.3	435.5	426.0	369.3
Missouri	580.3	554.4	475.0	491.5	520.1	572.7	483.5	359.5
Nebraska	189.6	186.1	151.8	152.7	175.5	175.9	197.7	174.4
Wisconsin	579.0	595.6	514.5	480.8	537.3	552.5	510.0	445.1
Total	2,788.1	2,926.0	2,321.1	2,137.1	2,393.4	2,407.8	2,263.4	1,883.0

[1] Does not include shipments of California redwood region.

Source: SFPA and WWPA distribution statements increased to 100 percent of industry shipments. (Latest available industry totals.)

TABLE 99

Distribution of lumber western region[1] *v. southern pine region to official*[2] *territory*

(IN MILLION BOARD FEET)

State	1967	1968	1969	1970	1971	1972	1973	1974
				Southern pine				
Delaware	6.1	8.6	8.4	10.3	14.4	15.6	22.6	16.9
District of Columbia	0.6	1.6	1.5	2.5	1.1	2.5	1.7	0.7
Indiana	272.9	299.4	281.7	287.2	275.9	270.7	244.6	221.2
Maryland	30.4	38.5	34.8	39.4	45.3	67.3	90.3	74.4
Michigan	72.4	95.0	120.1	120.1	148.0	156.9	180.9	199.0
New Jersey	30.2	30.1	26.9	26.4	30.0	26.7	21.2	57.2
New York	29.0	41.1	40.2	27.4	31.7	54.9	47.8	64.8
Ohio	161.1	194.5	254.4	247.3	298.2	280.4	285.3	232.3
Pennsylvania	61.2	58.3	50.0	50.1	48.4	36.9	53.0	81.6
Virginia	124.7	114.8	131.5	141.0	190.7	215.2	207.4	202.7
West Virginia	11.9	11.7	11.6	12.2	13.6	12.1	13.5	13.7
Total	800.5	893.6	961.1	963.9	1,097.3	1,139.2	1,168.3	1,164.5
				Western region[1]				
Delaware	12.2	12.9	14.1	15.6	16.7	19.4	23.6	17.1
District of Columbia	10.2	8.9	9.6	7.1	8.6	5.6	4.3	7.5
Indiana	443.3	450.5	347.4	316.2	316.6	310.9	291.9	230.5
Maryland	93.8	95.9	100.0	103.6	121.2	134.6	138.6	121.9
Michigan	595.7	557.5	451.7	455.6	509.7	486.5	461.0	349.8
New Jersey	170.1	172.1	155.9	155.0	157.3	169.9	161.4	150.9
New York	463.5	450.0	408.6	452.4	485.0	445.8	481.6	434.6
Ohio	734.0	730.8	635.8	599.6	709.5	668.0	615.0	524.8
Pennsylvania	425.7	385.2	358.6	381.4	387.4	380.1	378.8	336.1
Virginia	116.2	107.1	90.6	81.3	94.3	115.4	127.8	97.7
West Virginia	50.6	46.3	40.5	41.7	47.2	45.2	47.2	41.7
Total	3,115.3	3,017.2	2,612.8	2,609.5	2,853.5	2,781.4	2,731.2	2,312.6

[1] Does not include shipments of California redwood region.

[2] New England States omitted as they are not shown in SFPA.

Source: SFPA and WWPA distribution statements increased to 100 percent of industry shipments. (Latest available industry totals.)

TABLE 100

Distribution of lumber California redwood region to WTL

(IN MILLION BOARD FEET)

State	1967	1968	1969	1970	1971	1972	1973	1974
California redwood region								
Illinois	84.9	98.2	77.6	73.0	70.1	71.6	57.6	60.8
Iowa	31.4	36.8	29.6	35.5	29.3	35.1	31.2	43.3
Missouri	23.4	26.4	21.7	25.7	30.5	30.7	32.0	39.6
Nebraska	10.4	13.9	12.9	13.9	13.7	18.3	18.9	26.0
Wisconsin	40.4	49.5	39.9	41.2	41.1	43.3	31.5	47.4
Total	190.5	224.8	181.7	189.3	184.6	199.0	171.2	217.1

Source: Distribution statement of California Redwood Association. California redwood region shipments as reported by National Forest Products Association. (Latest available industry totals.)

TABLE 101

Distribution of lumber California redwood region to official[1] *territory*

(IN MILLION BOARD FEET)

State	1967	1968	1969	1970	1971	1972	1973	1974
California redwood region								
Delaware	3.5	3.7	3.5	5.0	4.7	4.2	4.1	3.5
District of Columbia	2.8	1.2	3.3	4.6	3.6	2.2	.9	4.3
Indiana	31.5	44.8	34.2	36.9	29.8	32.6	30.0	30.4
Maryland	14.9	14.6	15.6	17.0	15.9	20.8	10.3	13.2
Michigan	86.5	91.9	72.5	88.0	90.0	90.1	83.1	88.4
New Jersey	20.1	27.3	21.7	34.7	28.7	32.6	33.3	37.0
New York	54.0	57.8	53.7	60.0	51.6	51.3	46.5	54.4
Ohio	78.0	80.4	68.9	83.3	87.6	85.9	98.0	72.7
Pennsylvania	42.8	48.0	43.2	54.5	43.8	48.2	38.6	41.8
Virginia	17.7	13.8	17.1	18.0	20.0	25.5	26.0	23.5
West Virginia	2.9	4.7	5.3	6.0	5.0	4.8	3.5	4.3
Total	364.7	388.2	339.0	408.0	380.7	398.2	374.3	373.5

[1] New England States omitted as they are not shown in SFPA statistics.

Source: Distribution statement of California Redwood Association. California redwood region shipments as reported by National Forest Products Association. (Latest available industry totals.)

This shows, WWPA argues, that the western producers have experienced a 25-percent decrease in their shipments during the last 8 years to the midwestern and eastern markets, while the southern producers have experienced a 20-percent increase to the same markets in the same time frame.

The western producers are alarmed that the decrease in shipments from 1973 to 1974 by western producers to these markets was 757,200,000 board feet. The southern producers, to the same markets from 1973 to 1974, only decreased their shipments 39,600,000. For 1974 the western producers shipped roughly 2 1/2 times as much lumber as the southern producers to these markets but their shipments declined by roughly 20 times as much as the southern producers for 1974.

WWPA notes that in addition to losing large volumes of western lumber shipments to the midwest and eastern markets, the railroads have similarly lost large volumes of shipments to the western markets by means of diversion to truck. Table 102 shows the percentages of shipments moving by various modes of U.S. markets for the years 1967 to 1975. There has been a steady decrease in rail shipments and a steady increase in truck shipments from the coast and inland origins during this period. The growth of truck shipment has generally been in the area west of the Mississippi River; shipments to destinations east of the Mississippi River still move mainly by rail. The net result, WWPA argues, is a marked decrease in revenues produced on rail lumber shipments for the year 1967 through 1974.

(4) *The southern railroads.*—The southern carriers believe the general rate increases have not been self-defeating in generating revenue. They point to the southern district carriers' lumber and lumber products revenues shown in table 103. From 1967 through 1973, the carriers' gross revenue rose from $64,647,458 to $117,683,000, an increase of 82 percent.

TABLE 102

Percentage of shipments by various modes of transport to U.S. markets from coast and inland regions 1967 to 1975 (first quarter)

Year	Rail	Truck	Water
1967	74.8	21.7	3.5
1968	73.3	22.6	4.1
1969	70.9	25.0	4.1
1970	70.7	25.4	3.9
1971	70.2	26.3	3.5
1972	66.1	29.9	4.0
1973	63.3	32.6	4.1
1974	61.6	34.9	3.5
1975 first quarter	57.3	38.0	4.7

Source:
Rail and truck.—WWPA distribution statements.
Waterborne—Pacific Lumber Inspection Bureau Reports.

Additionally, the growth recorded in lumber and lumber products revenues in the southern district can be seen from the revenues of individual southern carriers as shown in tables 104-107.

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TABLE 103

Relationship of lumber and lumber products originated freight and revenue to all carload revenue freight traffic southern district[1]

(1964-1973)

Year (1)	Net tons originated: All freight traffic (2)	Net tons originated: Lumber and lumber products traffic (3)	Revenue (dollars): All freight traffic (4)	Revenue (dollars): Lumber and lumber products traffic (5)	Percentage lumber and lumber products of all freight traffic: Tons originated (6)	Percentage lumber and lumber products of all freight traffic: Revenue (7)
1964	285,530,558	5,711,982	1,341,115,422	59,682,449	2.0	4.5
1965	297,228,786	5,974,726	1,400,859,569	63,525,094	2.0	4.5
1966	313,250,740	6,259,701	1,485,696,894	64,660,168	2.0	4.4
1967	328,671,100	6,465,218	1,517,158,101	64,647,458	2.0	4.3
1968	330,057,275	6,624,833	1,630,227,631	71,159,061	2.0	4.4
1969	340,584,027	6,887,390	1,785,412,784	75,093,175	2.0	4.2
1970	351,016,590	6,707,003	1,936,281,093	77,878,080	1.9	4.0
1971	348,096,398	7,221,172	2,124,470,292	95,063,617	2.1	4.5
1972	367,392,904	8,063,550	2,279,028,446	110,799,415	2.2	4.9
1973	380,218,211	7,987,691	2,481,492,000	117,683,000	2.1	4.7

[1] Formerly shown as southern region.

Source: ICC Freight Commodity Statistics.

TABLE 104

Statement showing movements of lumber and lumber products[1] handled in connection with Illinois Central Gulf Railroad (former IC and GM&O) during years 1967 through 1974, inclusive

Year	Revenue freight originating on ICG				Revenue freight received by ICG from connecting carriers						Gross freight Revenue
	Terminated on ICG		Delivered to connections		Terminated on ICG		Intermediate delivered to connections		Total Revenue freight carried[2]		
	Cars	Tons	Cars	Tons	Cars	Tons	Cars	Tons	Cars	Tons	
1967	18,515	740,897	28,752	1,077,814	38,221	1,423,218	45,196	1,662,574	130,684	4,904,413	$19,553,349
1968	28,376	760,914	30,891	1,222,598	38,190	1,444,674	44,749	1,681,365	142,206	5,169,541	21,146,337
1969	15,916	629,330	33,304	1,335,095	33,202	1,273,586	40,903	1,536,653	123,325	4,774,664	21,143,698
1970	13,693	554,736	30,885	1,306,547	30,131	1,149,260	35,797	1,363,466	110,506	4,374,009	21,347,974
1971	14,727	621,137	31,850	1,425,800	31,312	1,229,160	36,391	1,464,134	114,280	4,740,231	25,085,764
1972	23,686	668,050	34,283	1,581,002	34,323	1,324,189	38,854	1,517,605	131,146	5,090,846	28,536,752
1973	15,002	630,320	32,301	1,492,018	33,836	1,258,749	28,576	1,163,631	109,715	4,544,718	28,213,830
1974	13,868	609,323	31,661	1,471,266	26,888	1,091,502	18,482	789,932	90,899	3,962,023	29,081,435

[1] Lumber and lumber products include STCC 24 (except 24 114 and 24 115).

[2] Including duplications.

Source: ICG QCS reports to ICC—years 1967-1974.

TABLE 105

Statement showing movements of lumber and lumber products[1] handled in connection with Seaboard Coast Line Railroad during 1967-1974, inclusive

Year	Revenue freight originating on SCL				Revenue freight received by SCL from connecting carriers				Total Revenue freight carried[2]		Gross freight Revenue
	Terminated on SCL		Delivered to connections		Terminated on SCL		Intermediate delivered to connections				
	Cars	Tons	Cars	Tons	Cars	Tons	Cars	Tons	Cars	Tons	
1967	34,897	1,243,094	28.405	1,008,962	35,183	1,291,642	9,340	341,584	107,825	3,885,472	$14,470,405
1968	31,536	1,179,557	23,869	889,072	37,122	1,379,403	9,431	370,852	101,958	3,818,884	15,808,836
1969	30,706	1,170,100	24,208	924,955	38,883	1,505,088	9,384	384,060	103,181	3,984,203	17,256,982
1970	32,594	1,292,023	22,320	890,704	37,188	1,467,366	8,937	370,406	101,039	4,020,499	18,872,384
1971	36,321	1,428,242	25,690	1,091,684	41,681	1,660,158	9,309	383,970	113,001	4,564,054	23,382,948
1972	38,944	1,595,952	28,800	1,300,110	49,289	2,026,133	9,304	385,443	126,337	5,307,638	27,731,967
1973	32,571	1,429,167	27,747	1,264,535	52,941	2,240,622	9,871	417,994	123,120	5,352,318	29,559,934
1974	29,261	1,331,275	24,960	1,157,130	37,117	1,587,065	7,336	314,397	98,674	4,389,867	26,601,985

[1] Lumber and lumber products include STCC 24 (except 24 114 and 24 115).

[2] Including duplications.

Source: QCS reports to ICC—years 1967-1974.

TABLE 106

Statement showing movements of lumber and lumber products[1] handled in connection with Southern Railway System (SRS) during years 1967-1974 inclusive

Year	Revenue freight originating on SRS				Revenue freight received by SRS from connecting carriers						
	Terminated on SRS		Delivered to connections		Terminated on SRS		Intermediate delivered to connections		Total Revenue freight carried[2]		Gross freight Revenue
	Cars	Tons	Cars	Tons	Cars	Tons	Cars	Tons	Cars	Tons	
1967	17,962	695,445	20,948	759,119	47,695	1,938,526	12,352	453,976	98,957	3,847,066	$19,155,735
1968	18,838	764,777	21,593	794,037	52,057	2,163,257	9,272	351,848	101,760	4,073,919	21,752,930
1969	19,639	826,124	23,862	918,237	51,928	2,168,509	9,379	367,344	104,808	4,280,214	23,420,708
1970	18,911	794,674	21,935	851,118	49,306	2,070,015	9,403	366,467	99,555	4,082,274	23,918,070
1971	18,626	793,121	22,258	912,606	52,173	2,263,984	8,419	339,200	101,476	4,308,911	28,123,770
1972	19,236	861,224	25,663	1,003,229	60,716	2,655,579	10,975	454,515	116,590	4,974,547	34,034,953
1973	18,852	858,172	24,956	1,010,754	57,449	2,564,838	13,134	561,953	114,391	4,995,717	35,925,113
1974	18,842	864,213	28,903	1,198,367	47,113	2,136,984	8,438	370,604	103,296	4,570,168	38,110,509

[1] Lumber and lumber products include STCC 24 (except 24 114 and 24 115).

[2] Including duplications.

Source: SRS QCS reports to ICC—years 1967-1974.

TABLE 107

Statement showing movements of lumber and lumber products[1] handled in connection with Louisville and Nashville Railroad (L&N) during years 1967-1974, inclusive

Year	Revenue freight originating on L&N				Revenue freight received by L&N from connecting carriers						Gross freight Revenue
	Terminated on L&N		Delivered to connections		Terminated on L&N		Intermediate delivered to connections		Total Revenue freight carried[2]		
	Cars	Tons	Cars	Tons	Cars	Tons	Cars	Tons	Cars	Tons	
1967	7,217	291,125	21,489	774,876	24,932	924,990	14,944	547,257	68,576	2,538,248	$10,314,903
1968	6,971	284,188	21,792	822,907	26,363	992,300	14,507	544,271	69,633	2,643,666	11,102,662
1969	8,339	342,557	22,445	867,300	25,787	986,318	14,025	521,805	70,596	2,717,980	11,914,566
1970	6,713	274,727	20,904	823,129	26,198	1,025,983	13,137	497,552	66,952	2,621,391	12,474,500
1971	7,240	281,377	18,424	729,965	31,108	1,248,948	17,906	712,746	74,678	2,973,036	15,887,966
1972	9,380	366,454	19,038	731,283	33,968	1,377,551	21,149	853,819	83,535	3,329,107	18,210,032
1973	8,332	325,763	19,610	749,941	32,482	1,326,807	25,528	1,042,046	85,952	3,444,557	20,072,804
1974	7,184	277,875	19,178	737,266	26,638	1,108,544	20,087	823,750	73,087	2,947,435	20,327,715

[1] Lumber and lumber products include STCC 24 (except 24 114 and 24 115).

[2] Including duplications.

Source: L&N QCS reports to ICC—years 1967-1974.

Table 108 provides a summary comparison of lumber and lumber products revenues for individual southern carriers for the years 1967 and 1974.

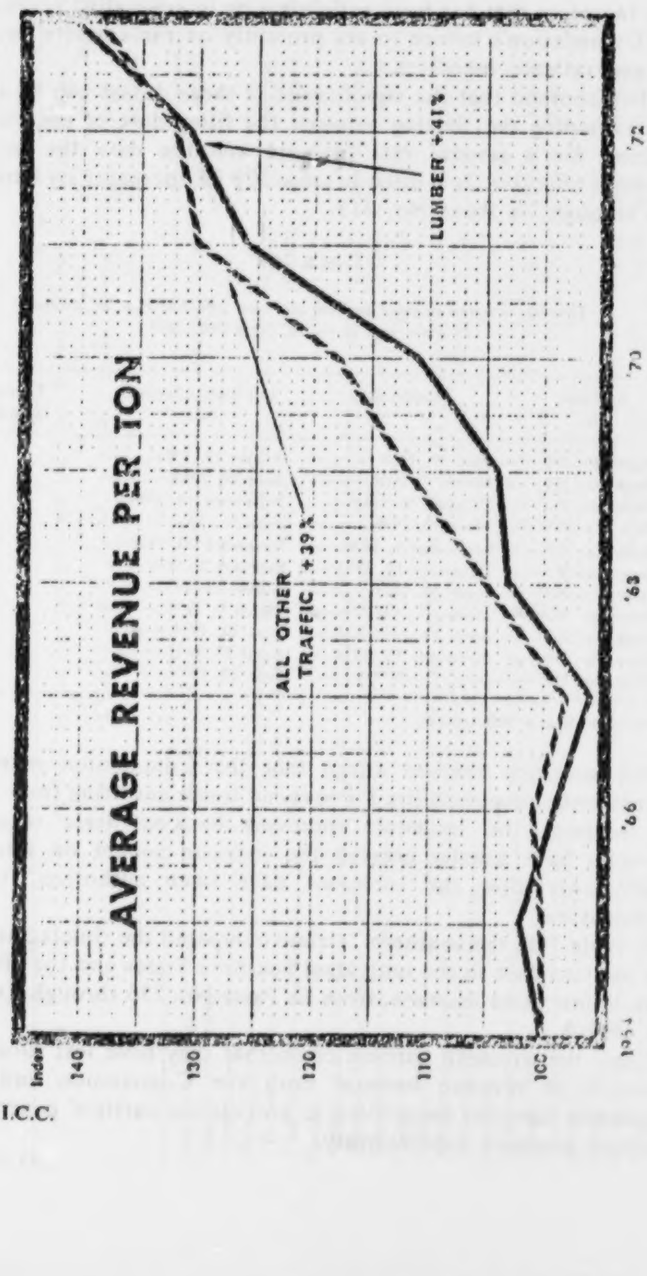
TABLE 108

Southern carriers

Year	ICG	L&N	SCL	SRS
1967	$19,553,349	$10,314,903	$14,470,405	$19,155,735
1974	29,081,435	20,327,715	26,601,985	38,110,509
Percentage increase	+49	+97	+84	+99

Figure 18 shows that average revenue per ton on lumber and lumber products declined from 1964 through 1967, but has risen continuously since then.

FIGURE 18


AVERAGE REVENUE PER TON
LUMBER +41%
ALL OTHER TRAFFIC +39%
Index
140
130
120
110
100
1964
'66
'68
'70
'72

The southern carriers allege that the one aspect of the general rate increases that has been self-defeating in generating revenues is the Commission's failure to act promptly on the carriers' requests for general rate increases.

They contend that the significance of these delays can be shown by developing the timelag between the filing date of the carriers' petition for a general rate increase and the date the increase becomes effective, as is done in table 109 for increases Ex Parte No. 256 through Ex Parte No. 313.

TABLE 109

Timelag between railroad petition date and effective date of general ex parte rate increases, years 1967-1975

Ex Parte No.	Petition date	Interstate effective date	Timelag (months)
Ex Parte No. 256	May 19, 1967	August 19, 1967	3
Ex Parte No. 259	March 7, 1968	June 24, 1968	3
Ex Parte No. 262	October 10, 1969	November 18, 1969	1
Ex Parte No. 265	March 3, 1970	June 9, 1970	3
Ex Parte No. 267	September 1, 1970	November 20, 1970	2 1/2
Ex Parte No. 281	December 13, 1971	February 5, 1972	2
Ex Parte No. 295	April 20, 1973	August 19, 1973	4
Ex Parte No. 303	January 2, 1974	March 9, 1974	2
Ex Parte No. 305	April 22, 1974	June 20, 1974	2
Ex Parte No. 310	November 15, 1974	April 27, 1975	5
Ex Parte No. 313	April 28, 1975	June 20, 1975	2

Source: AAR and SRS records.

The southern carriers allege that the Commission must also accept some responsibility for revenue losses resulting from delays in receiving the intrastate increases because State regulatory agencies have usually granted the increase sought on interstate traffic only after, the increases have been authorized by the Commission.

In table 110, the southern carriers compared the timelag between the petition date in the individual Southern States and the effective date of interstate increase, from Ex Parte No. 256 through Ex Parte No. 305-A.

Thus, the southern carriers claim that they have lost substantial amounts of revenue because both the Commission and State regulatory agencies have failed to process the carriers' general rate increase requests expeditiously.

TABLE 110

Timelag in effective dates of general ex parte increases on intrastate traffic
EX PARTE NO. 256 THROUGH EX PARTE NO. 305A
(1967-1974)

	Ex Parte No. 256 3%	Ex Parte No. 259-B 5%	Ex Parte No. 262 6%	Ex Parte No. 265-B 6%	Ex Parte No. 267-B 6%	Ex Parte No. 281-B 4%	Ex Parte No. 295-A 3%	Ex Parte No. 303-A 4% 5	Ex Parte No. 305-A 5% 10%	Last nine increases average elapsed months
Effective interstate:	8-19-67	11-28-68	11-18-69	11-20-70	4-12-71	10-23-72	8-19-73	3-9-74	6-20-74	
Interstate proceedings:										
Alabama										
Petition date	9-25-67	12-27-68	5-11-70	11-30-70	6-10-71	12-15-72	10-20-73	6-7-74	9-18-74	
Effective date	9-25-67	[1]8-18-72	[1]6-10-73	6-23-71	3-27-72	7-15-73	10-20-73	6-7-74	9-18-74	
Elapsed months		44	37	7	10	7	---	---	---	12
Florida:										
Petition date	8-21-67	2-4-69	5-11-70	10-2-70	4-30-71	9-4-72	12-18-73	3-14-74	7-26-74	
Effective date	3-18-68	4-4-70	10-27-70	12-4-71	6-18-72	1-6-73	3-23-74	7-1-74	11-23-74	
Elapsed months	7	14	6	14	14	4	3	4	4	8
Georgia:										
Petition date	8-21-67	12-19-68	5-11-70	8-21-70	4-6-71	12-20-72	10-13-73	4-9-74	8-29-74	
Effective date	10-10-67	[1]10-30-72	9-1-70	11-22-71	9-1-72	4-2-73	1-1-74	7-1-74	11-15-74	
Elapsed months	2	46	4	15	17	3	3	3	3	11
Kentucky:										
Petition date	9-25-67	1-5-69	7-29-70	11-30-70	6-10-71	12-15-72	11-20-73	6-7-74	9-18-74	
Effective date	12-18-67	1-11-69	7-29-70	12-19-70	8-1-71	3-8-73	3-1-74	8-1-74	9-13-74	
Elapsed months	3	---	---	1	2	3	3	2	—	2
Mississippi:										
Petition date	8-21-67	6-28-68	[3]12-12-69	[3]4-23-71	[3]4-23-71	12-1-72	9-19-73	4-22-74	6-10-74	
Effective date	10-12-67	[1]8-25-72	[1]10-10-73	[1]10-10-73	[1]10-10-73	4-1-73	1-1-74	8-20-74	8-20-74	
Elapsed months	2	50	46	30	30	4	3	4	2	19

See footnotes at end of table.

Timelag in effective dates of general ex parte increases on intrastate traffic-Continued

	Ex Parte No. 256 3%	Ex Parte No. 259-B 5%	Ex Parte No. 262 6%	Ex Parte No. 265-B 6%	Ex Parte No. 267-B 6%	Ex Parte No. 281-B 4%	Ex Parte No. 295-A 3%	Ex Parte No. 303-A 4%	Ex Parte No. 305-A 5% 10%	Last nine increases average month elapsed
North Carolina										
Petition date	9-25-67	4-3-69	[2]12-12-69	9-24-70	11-20-70	4-3-72	10-31-73	4-9-74	9-29-74	
Effective date	9-25-67	9-8-69	[1]1-21-72	[1]5-25-73	[1]5-25-73	[1]3-9-74	4-5-74	8-10-74	(not eff.)	
Elapsed months	---	5	25	32	30	23	5	4	(8)	15
South Carolina										
Petition date	8-18-67	1-13-69	5-11-70	8-12-70	4-6-71	4-17-72	12-11-73	3-14-74	7-30-74	-
Effective date	10-2-67	[2]1-1-71	10-1-70	12-20-71	5-1-72	6-1-73	3-18-74	5-22-74	11-4-74	
Elapsed months	1	24	5	16	13	13	3	2	3	9
Tennessee:										
Petition date	9-25-67	1-23-69	5-11-70	11-30-70	6-10-71	1-4-73	10-20-73	6-7-74	9-18-74	
Effective date	10-30-67	5-11-71	8-23-70	6-3-71	11-9-72	6-1-74	7-27-74	12-14-74	(not eff.)	
Elapsed months	1	28	3	6	17	17	9	6	(8)	11
Virginia:										
Petition date	8-21-67	2-17-69	5-29-70	8-10-70	6-16-71	12-6-72	10-13-73	4-9-74	9-3-74	-
Effective date	12-7-67	[1]11-16-72	10-5-70	4-30-71	12-11-71	2-22-73	1-28-74	4-9-74	9-3-74	
Elapsed months	4	45	4	9	6	3	3	---	---	8
Sum of months	20	256	130	130	139	77	32	25	28	837
Average elapsed months	2	28	14	14	15	9	4	3	3	10

Note: Petition date is proposed effective date where applicable.

[1] Resulted in 13th section case, increase granted effective this date.

[2] Result of secondary decision by State commission.

(5) Rebuttal and surrebuttal statements

(a) *WWPA and SPS.*—The WWPA, in rebuttal to SPS' opening statement, criticizes SPS' assertion that the decrease in western lumber shipments was caused by increased housing starts in the region and the export of a substantial volume of sawlogs to Japan. WWPA claims that there has been no evidence presented which shows that there is not sufficient lumber in the western region to participate in this movement as well as compete in the eastern and midwestern markets. The sawlog exportation to Japan has not significantly changed since 1968 and assertedly would not be a factor for the continued decline, in the last 7 years, of western lumber shipments to the Midwest and East. While housing starts have increased in the West, the WWPA submits there is sufficient lumber to supply those needs as well as to supply the needs of the eastern and midwestern markets.

The WWPA cautions the Commission to be careful in attempting to tamper with the rate to "blanket territory," which was established to enable the railroads to compete with water carriers, which had been handling close to three-quarters of the traffic. The WWPA claims that there is still water carrier movement from British Columbia, although there is no longer a significant water movement from Oregon and Washington. However, according to WWPA, any adjustment to raise the "blanket rate," would quickly reassert the water carrier as a prime mover of this traffic. WWPA argues that this would become short-haul traffic from the eastern ports which would of necessity be handled by truck, thus depriving railroads of both the long and short-haul traffic affected thereby. WWPA asserts that any investigation into rates to blanket territory is beyond the scope of this proceeding as outlined in the Commission's order of November 5, 1971.

WWPA disagrees with the western railroads' contention that changes in freight rates do not affect the marketing of western lumber in the Midwest and East. WWPA notes that the Jones Act is a classic example of the effect which freight rates have on the marketing of western lumber.

SPS states that the record in this proceeding is filled with evidence which shows that housing starts and year-to-year changes of income strongly affect lumber consumption, while price does not. SPS submitted figure 19, which correlates housing starts and lumber prices with the dates and numerical designation of recent general freight increases. It shows that lumber starts fluctuate with the number of housing starts in a given year independently of general rate increases. The record further shows, according to SPS, that the rates for lumber and lumber products have been subject to sensitive adjustments to retain competition from each of the major producing areas.

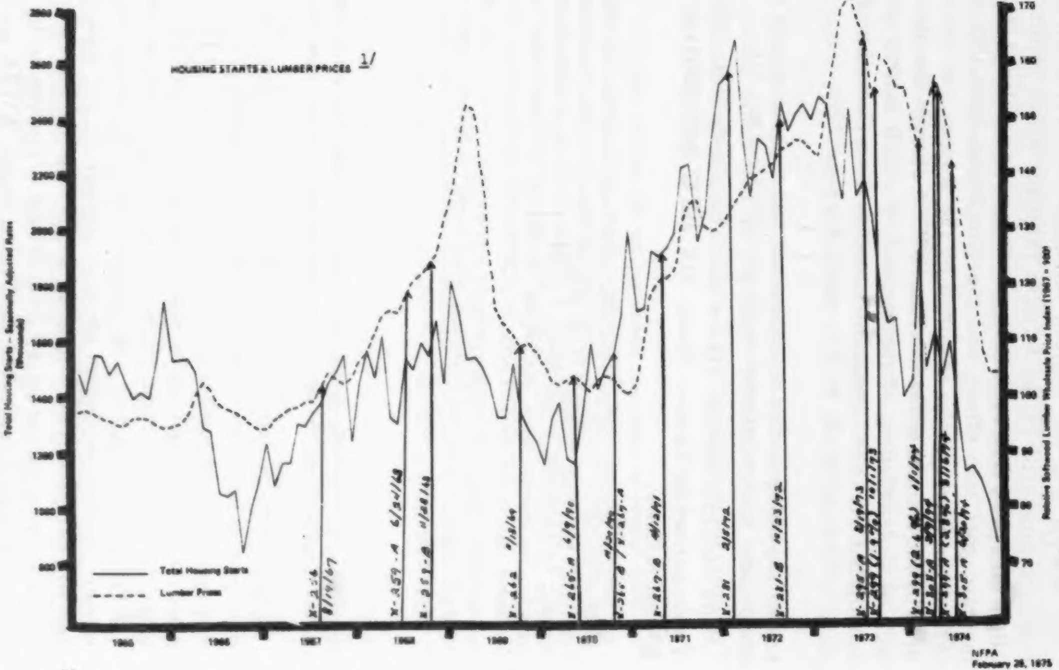
SPS disputes WWPA's contention that an investigation of the blanket rate on rough lumber is beyond the scope of this proceeding. In appendix B, p. 4, of his order of March 15, 1975, setting forth the procedures to be followed in this proceeding, the Coordinator reminded all of the parties that:

> The ultimate objective of this proceeding is to take whatever corrective action may be shown to be necessary. Such corrective action may take many forms, examples would include requiring particular rates to be increased ***.

SPS submits that, upon thorough examination, the blanket rate for rough lumber may be found a necessary subject for "corrective action."

SPS concludes that the Coordinator should not prescribe any fixed relationships between the Northwest and the South, but rather should encourage both the Commission and the carriers to continue to provide the flexibility and innovation necessary to keep this commodity moving.

Figure 19



1/ Courtesy of: National Forest Products Association.

(b) *WWPA and the western railroads.*—WWPA criticizes both evidence presented by the western railroads which shows that the origin mill price fluctuations do not drop after a railroad freight rate increase goes into effect, and the conclusion from this evidence that, if the increase was absorbed by the shipper, the price should drop by the amount of the increase. WWPA charges that this shows a lack of understanding of the manner in which lumber prices are established. As the Commission stated in *West Coast Lumbermen's Assn.* v. *Akron, C. & Y. Ry., supra,* at page 223:

> Lumber is generally sold on a delivered basis and the price includes the freight charges based upon an estimated weight per 1,000 board feet. ***

The Commission likewise concluded in *Reduced Transcontinental Lumber Rates,* 318 I.C.C. 815 (1961) at 826 and 830 as follows:

> West coast lumber is sold on a delivered price basis, which includes the mill price plus freight charges as estimated by the shipper. Southern lumber is generally sold on the same basis although, in some cases, it is sold on a mill price basis with the receiver arranging for transportation and paying the charges. In either case, the western producers must match the mill price of other lumber producers plus the applicable transportation charges. Western producers contend that they must sell their lumber within 25 cents, per thousand board feet, of the lumber from other regions in order to remain competitive.
>
> * * * * * *
>
> Both the southern and western lumber producers must sell their products at the same current price level and on the basis of prevailing freight rail relationships. ***

Thus, WWPA alleges that the western railroads' opening statement is based upon the completely unfounded premise that the western softwood lumber producer controls the price in the market place at eastern and midwestern destinations. Instead, they must meet the price of their competitors, the southern producers.

WWPA also disagrees with western railroads' allegation that the western lumber producers are in a position to pay maximum rates and still compete. This allegation stems from the increasing volume in lumber movements by rail from British Columbia to the northeast and north central regions of the United States. WWPA contends that the reasons why British Columbia can export its softwood lumber into the United States was spelled out by SPS in its opening statement:

> The growing importance of Canadian softwood lumber in the U.S. market is due to the Canadian producer's ability to deliver their product at competitive prices. The

> major Canadian advantages are relatively low raw materials (stumpage) costs, favorable waterborne transportation costs [due to U.S. Jones Act], and low incentive commodity rail rates in the Province of British Columbia. These advantages are somewhat offset at the sawmill production stage by higher labor costs, lower labor productivity and the distance timber is hauled.

WWPA asserts that it is simplistic reasoning to conclude that because the British Columbia rail shipments must travel as far or farther than the western lumber producers that, therefore, the western lumber producers should be able to compete at the same rates.

WWPA contends that the movements of softwood lumber from the West to the South can be explained because of the historical preference for that species of lumber. They quote from the opening statement on behalf of SFPA:

> There are two major reasons for the substantial movement of lumber from the Northwest into the South. First, there is variance between the western and the southern species and their end use applications since any of the eleven western species lend themselves to finish grades, paneling, boards, shop and industrial application, door and window units and other such end uses, while eighty-five percent of the southern pine production consists of dimensional sizes used in frame construction.
>
> Secondly, some customers have historically preferred the western species for dimensional items where strength characteristics are not important, such as studs. The softer western species are easier to nail, split less, and are less likely to crook.

WWPA alleges that this historical preference for the western species has shifted in the Midwest and West, because of railroad policies of requesting horizontal increases. As a result WWPA contends that western producers must absorb increasing freight rates which preclude competition with southern producers on the same basis as previously existed.

WWPA reasserts the contention in its opening statement that the spread between the Portland-Hattiesburg rates to Chicago, Ill., has grown from 35.5 cent per cwt to 116.6 cents per cwt at the Ex Parte No. 305-A level. This spread, converted to dollars per thousand based upon an average weight of 2,350 pounds per 1,000 broad feet which is common to both territories is $19.07 per thousand. Based upon 40,000 board feet in an average shipment, there is an additional $662.80 per car that the western producer must absorb to compete in the common market of Chicago. As they move further east, they allege that the additional amount the western producer must absorb grows even greater.

WWPA disagrees with the western railroads' statement that car shortages have contributed to the diversion of lumber to motor carriers. WWPA states that 1974 and 1975 were not years of car shortages, yet the percentage of shipments by truck has continued to increase for 1974 and 1975. In addition, in spite of the western railroads' claim that the western market is essentially a short-haul market which does not encourage rate reductions, the WWPA noted that Southern Pacific had recently taken independent action to publish a reduction in lumber rates in the western region from Portland and south to all of its destinations in California, Arizona, and Nevada. Examples of some of these reductions are:

Portland, Oreg., to Phoenix, Ariz.

Short-line mileage—1,470.8 miles.
SP Tariff 420-D

	Pound minimum	*Cents per hundredweight*
Present rates	70,000	165
PSFB 80-L item 5220		
Proposed rates	85,000	146
NPCFB-PSFB Joint	Excess	125
Docket JT-2094		

Portland, Oreg. to Tucson, Ariz.

Short-line mileage—1,548.5 miles.
SP Tariff 420-D

Present rates	70,000	172
PSFB 80-L, item 5235		
Proposed rates	85,000	153
NPCFB-PSFB Joint	Excess	132
Docket JT-2094		

WWPA notes that, while these distances are not necessarily short line, this railroad has accepted the fact that diversions have occurred, and is taking action to increase its revenue and recapture some of the traffic. WWPA argues that this is a more realistic position to take, in the face of steadily decreasing revenues for hauling fewer cars to the Midwest and East in the face of diversion to truck in the so-called short-line territory, than to apply horizontal rate increases to decreasing traffic.

In surrebuttal, the western railroads repeat their contention that lumber prices move independently of freight rates and are determined by demand which is created by housing starts.

The western railroads state that WWPA's statement tacitly acknowledges that the British Columbia mills pay the same or higher freight rates as the western U.S. producers, and claim that the SPS statement cited by WWPA affirms the point that freight rates, whether from Western United States, Southern United States or British Columbia, are not a significant or determining factor on lumber movements.

Rate relationship west v. south.—WWPA uses the "Hattiesburg Formula" to try to nullify the import of the tables 90, 91, and 92, which compare lumber rates and prices from Portland, Oreg., Hattiesburg, Miss., and Elizabeth City, N.C. on a constant dollar basis. WWPA states:

> It would be nice if we could have our customers buy on a constant dollar basis that was related to 1943 however we must live in the "real world." The western lumber producer must ship on the basis of dollars that are being traded in at a given time.

The western railroads contend, however, that their tables conclusively prove that in the "real world" the value or purchasing power of the dollar needed to transport lumber from Portland, Oreg., vis-a-vis southern origins to New York remained virtually unchanged since 1943. Table 92 further shows that on a constant dollar basis the 1975 lumber freight rate, Portland, Oreg., to Chicago, Ill., was 94 percent of its 1943 counterpart while 1974 lumber prices are 143 percent of their 1943 equivalent. Thence, "real world" of 1974-75 was not nearly as rosy for the rail carriers as it was for the lumber producers.

The western railroads also assert that they are acutely aware of truck diversions.

With respect to truck diversion, the western railroads assert that Southern Pacific's rate adjustment from Portland, referred to in WWPA's rebuttal statement, is proof that the carriers are dealing with the diversion problem in specific ways. The western railroads note that this was primarily a truck-compelled adjustment to closer California destinations. Phoenix and Tucson, with their approximately 1,500-mile distances, are at the extreme edge of the territory treated.

However, Southern Pacific did not reduce all its lumber rates, which the western railroads claim is WWPA's solution to the truck diversion problem. Such an inflexible solution, the railroads assert, would prevent lumber traffic from fairly contributing to the strong rail transportation system which the lumber industry needs if it is to continue to compete in long-haul markets.

In response to WWPA argument that the transportation services performed below cost on raw materials are not relevant because they are not directly related to the transcontinental lumber rates, the western railroads contend that the marginal and less-than-marginal rates on sawlogs subsidize lumber production at the expense of the rail carriers. Ability to market pulpwood chips is very important to a profitable saw mill operation, and below cost rates provide marketing assistance at carrier expense. The burden for the movement of sawlogs and pulpwood chips must then be borne by the finished products.

In answer to WWPA's rebuttal statement that the Commission should be careful in meddling with the rate to blanket territory, the western railroads argue that the transcontinental rate structure is lower than necessary to compete with intermodal water competition on lumber and plywood. They contend that there is no evidence that rates inhibit the movement of lumber, but that, the inhibiting transportation problem is car supply and service.

The western railroads argue that water movements from British Columbia are attributable to factors, such as inapplicability of the Jones Act and lack of adequate rail transportation, which do not exist for domestic shipments. Therefore, an increase in rail rates would not necessarily result in increased water movements from Washington to Oregon to the Atlantic coast.

The western railroads criticize WWPA's statistical evidence showing that shipments to official territory are increasing from the South at the expense of western producers (tables 98, 99, 100, and 101). They argue that the evidence does not show statistics from the States of Minnesota, North Dakota, South Dakota, Wyoming, or Colorado, even though the most dominant markets in these States are in WTL territory. They argue that a "gross abberation" in the data is caused in table 99, by including Virginia, a southern-pine-producing State, in official territory markets. New England States are not included even though they are in official territory. The western railroads restated the data as follows:

TABLE 111 (Restated in part)

Southern pine

(MILLION BOARD FEET)

State	Affiant's data			Western railroad's data		
	1972	1973	1974	1972	1973	1974
Illinois	316.0	258.7	219.3	322.6	248.2	210.3
Iowa	61.2	45.3	48.0	62.5	43.4	46.0
Missouri	356.6	323.9	296.9	364.0	310.7	284.8
Nebraska	6.5	6.2	9.2	6.6	6.0	8.8
Wisconsin	55.6	49.4	74.3	56.8	47.4	71.3
Totals	795.9	683.5	647.7	812.5	655.7	621.2
Western region						
Illinois	671.2	646.2	534.7	671.2	645.4	534.8
Iowa	435.5	426.0	369.3	435.5	425.6	369.3
Missouri	572.7	483.5	359.5	572.7	482.5	359.5
Nebraska	175.9	197.7	174.4	175.9	197.3	175.6
Wisconsin	552.5	510.0	445.1	552.5	509.5	445.1
Totals	2,407.8	2,263.4	1,883.0	2,407.8	2,260.3	1,884.3

TABLE 112 (Restated in part)

Southern pine

(MILLION BOARD FEET)

State	Affiant's data			Western railroad's data		
	1972	1973	1974	1972	1973	1974
Delaware	15.6	22.6	16.9	15.9	21.7	16.2
District of Columbia	2.5	1.7	0.7	2.6	1.6	0.7
Indiana	270.7	244.6	221.2	276.3	234.7	212.2
Maryland	67.3	90.3	74.4	68.7	86.6	71.3
Michigan	156.9	180.9	199.0	160.2	173.5	190.8
New Jersey	26.7	21.2	57.2	27.2	20.4	54.8
New York	54.9	47.8	64.8	56.0	45.8	62.1
Ohio	280.4	285.3	232.3	286.2	273.7	222.8
Pennsylvania	36.9	53.0	81.6	37.6	50.8	78.2
Virginia	215.2	207.4	202.7	219.7	199.0	194.4
West Virginia	12.1	13.5	13.7	12.3	12.9	13.1
Total	1,139.2	1,168.3	1,164.5	1,162.7	1,120.7	1,116.6

Southern pine—Continued

(MILLION BOARD FEET)—Continued

State	Affiant's data			Western railroad's data		
	1972	1973	1974	1972	1973	1974
Western region						
Delaware	19.4	23.6	17.1	19.5	19.5	17.0
District of Columbia	5.6	4.3	7.5	5.6	5.6	7.5
Indiana	310.9	292.4	230.5	310.9	269.8	230.5
Maryland	134.6	138.9	121.9	225.5	179.7	167.6
Michigan	486.5	461.5	349.8	486.5	403.2	349.8
New Jersey	169.9	161.7	150.9	324.8	248.8	273.6
New York	445.8	482.1	434.6	502.0	492.3	445.4
Ohio	668.0	615.7	524.8	668.0	575.5	524.9
Pennsylvania	380.1	379.2	336.1	381.4	374.6	336.1
Virginia	115.4	128.0	97.7	115.4	113.0	97.7
West Virginia	45.2	47.1	41.7	45.2	42.2	41.6
Total	2,781.4	2,734.5	2,312.6	3,084.8	2,724.2	2,491.7

The western railroads further allege that WWPA is attempting to revive the "Hattiesburg Formula," which was rejected by the Commission in Ex Parte No. 262, *Increased Freight Rates*, 1969:

> That formula *** whether regarded as a test of relative reasonableness or of preference and prejudice, has not been valid since 1964, when the rate from Hattiesburg to Chicago was reduced in a widespread adjustment to meet motor carrier competition, from 80 cents to 54.6 cents per 100 pounds; and the spread in rates from Portland versus Hattiesburg was thereby increased from 54 cents to 79.4 cents per 100 pounds. 377 I.C.C. at 459.

They assert that the rate spread between the South and Northwest does not create a problem for the western producers since there is no correlation between prices and rail freight rates.

The western railroads also argue that the constant dollar spread, Portland versus Hattiesburg to Chicago, is only 3 cents higher than in 1943 while the Portland versus Elizabeth City, N.C., comparison shows a reduction in rate spreads. Finally, the western railroads point out that table 92, which compares the unadjusted rate on lumber and constant dollar rate, Portland, Oreg., to Chicago, Ill., with the unadjusted price and constant value price for 2 x 4 Douglas-fir for the years 1943 to 1975, shows that the parent products industry enjoyed prices better than twice the 1943 price on a constant value basis, while 1973 freight rates were but 93 percent of the 1943 constant value rate accounting.

(c) ***WWPA and SFPA.***—SFPA alleges that the reason WWPA shipments have declined slightly to the Midwest and East is because it is more profitable for the western shippers to sell their product in local markets. The West has had the greatest percentage increase in housing starts since 1967, and its total production has remained high. There is evidence that the West has increased its total percentage of production while the South has declined. The West still dominates the official territory markets, as shown in table 112; western shippers also ship significant quantities of lumber into the South.

Furthermore, SFPA argues that WWPA ignores the increase in Canadian shippers' participation in official territory markets. There is evidence of increasing lumber shipments, particularly from British Columbia, into the United States. Thus, SFPA argues that any implication by WWPA that its total production has declined is false. The fact is that the West continues its dominant position in terms of production and shipments.

SFPA also attacks WWPA's suggestion that the railroads have lost large volumes of traffic to truck, either to the western markets or to an area described as west of the Mississippi River. The SFPA states that the WWPA presents absolutely no evidence of any significant truck movement to any specific destination. Its table 102 simply uses the words "U.S. markets," which is further misleading because origins from inland States, such as Montana, rather than origins on the west coast, may account for significant movements by truck. For example, the distance from Portland, Oreg., to Chicago, Ill., is significantly different than the distance from an origin such as Missoula, Mont., to Chicago, Ill. The western railroads' table 93 indicates that the truck increase has been on movements to the West, while the movements to the North Central, the South, and the Northeast suffered little attrition to trucks. SPS' statement indicates that any movement under 500 miles will ordinarily go by truck.

In its surrebuttal to SFPA's rebuttal, WWPA argues that SFPA misses the point in arguing that the rate scales prior to 1960, comparing rates from western origins to southern origins, are of no concern in this proceeding. The problem remains that as the differential in rates widens, the cost per thousand board feet of lumber is increased. This is one of the factors, they allege, that goes into the distortion of the rate relationships as magnified by general rate increases. WWPA further contends that there has been a 25-

percent decline in shipments from the West to the Midwest and East. Thus, they contend, it is no longer as profitable for western shippers to sell their products in the Midwest and East because they are not able to absorb the higher freight rate costs magnified by the general horizontal percentage increases.

In its surrebuttal to the western railroads' rebuttal, WWPA maintains that tables 98 through 101 present the latest statistical compilation of lumber distribution from the western region and the southern pine region to official territory and WTL territory. They have historically used the selected States in WTL territory of Illinois, Iowa, Missouri, Nebraska, and Wisconsin because these States are the volume users of softwood lumber within WTL territory. SFPA does not publish statistics individually to the States of Minnesota, North Dakota, South Dakota, Wyoming, and Colorado.

They reject the western railroads' claim that there is a "gross aberration" in not including Virginia in the official territory markets. They state that from all of the information they have, the major consuming areas in the State of Virginia have been historically, and still are, included in official territory. A few of the branch lines in the extreme southern part are not included. From WWPA's tables 99 and 101, it is seen that shipments from the western region and California redwood region to official territory were 3,480,000,000 board feet in 1967 and 2,686,100,000 board feet in 1974. If the entire State of Virginia is removed from these figures, the western producers shipments totaled 3,346,100,000 board feet of softwood lumber in 1967 and 2,565,900,000 board feet of softwood lumber in 1974. Thus, this is a decline from the western producers to official territory, for the years in question, of 793,900,000 board feet to the named States in official territory. To the named States in official territory, excluding the State of Virginia, the decline is 780,200,000 board feet. This does not, WWPA contends, constitute a "gross aberration."

Finally, WWPA did not include the New England States even though they are in official territory because SFPA does not break down their figures on State-by-State basis to the New England States.

(d) *Southern railroads and WWPA*.—The southern railroads, in their rebuttal to WWPA's opening statement, note that the WWPA voices concern over its ability to participate in the anticipated building authority because of (1) long distances from their producing points to consuming points, (2) production in other regions closer to markets, and (3) increasing competition from substitute building materials. The southern railroads argue that the carriers have little or no control over these factors. Distances cannot be altered, nor can development of substitute materials be slowed. The southern railroads contend that the decline in shipments is the result of a falling off in housing starts rather than a basic rate problem.

Although WWPA states that western producers have experienced a 25-percent decrease in their shipments during the last 8 years to midwest and eastern markets, while southern producers have had a 20-percent increase in the same time frame, the southern railroads argue that this has not in any way resulted from the freight rate structure. If rates are the determining factor, there is no explanation for the very significant movement of western lumber into the heavily producing areas in the South. Generally, movements of lumber are based on economic factors and not on freight rates.

In rebuttal to the opening statement of the southern railroads, WWPA states that the southern railroads are acutely aware that the application of percentage increases creates a spread at the higher mileages and will in effect assist the southern lumber producer to the detriment of the West. While this can certainly help the southern carriers and their revenue situation, it detracts markedly from the revenue situation of the western carriers. It would appear, WWPA argues, that such a position is not in the overall best interests of the Nation's railroads.

The southern railroads, in their surrebuttal, state that revenues per ton are a better indicator of rate levels than revenues per car because the element of increasing car capacity is not present. For example, based on the 1966 and 1972 1-percent waybill statistics for STCC 24211, actual revenues are as follows:

TABLE 113

Actual revenues per ton for STCC 24211 for 1966 and 1972

	1966	1972
South to South	$4.98	$6.22
South to official	10.71	13.55
Combined	6.49	8.17

TABLE 113—Continued

Increases or reductions in actual and constant dollars

	Actual dollars	Constant dollars
	Percent	*Percent*
South to South	+25	-3
South to official	+33	+4
Combined	+26	-2

From these statistics, the southern railroads conclude that the actual revenues per ton have increased moderately in terms of actual dollars from 1966 through 1972, and have decreased slightly when measured in constant dollars. Therefore, the southern railroads claim that from a combination of statistics, or a comparison of different statistics, it can be said that the lumber and lumber products rate structures are beneficial to all concerned. Through the introduction of heavy-loading incentive rates coupled with switching lumber from boxcars to higher capacity chain tiedown flatcars, the revenues per ton paid by the shipper have been held down to a level which would not otherwise be obtainable in the face of inflation. At the same time, heavier loadings have been beneficial in increasing the carriers' per-car revenues.

The southern railroads state they will continue to cancel rates which are marginally compensatory on any commodity, as the 40,000-pound lumber rates appeared to be, or increase those rates to a compensatory level. Increased minimum weights encourage heavier loadings and, therefore, tend to eliminate excessive car-miles and wasteful transportation. Furthermore, these increased minima have, for the most part, been coupled with open-end incentive rates. This has the threefold effect of making rail transportation more competitive, increasing rail revenues per car and giving the shipper lower rates than would otherwise be possible if inefficient light loadings were continued with no change in transportation conditions. Moreover, the southern railroads aver that reduced free time encourages better car utilization. With the substantial increases the carriers are experiencing in the cost of equipment it behooves them, in the interest of both the carriers and the shipping public, to do everything they can to make better use of the existing fleet. As for increasing rates, the southern railroads contend that the carriers have generally sought such revenue increases as necessary to recoup increases in operating expenses. But, for the most part the revenue increases have been insufficient for full recovery.

(e) *SFPA, SHTA, and the southern railroads.*—In response to the southern railroads' opening statement, SFPA charges that southern lines have unnecessarily lost revenue by participating in holddowns from the West. To that extent, the method of publication of the general increases have been self-defeating in nature.

They also criticize the southern carriers for increasing rates and minimum weights and reducing free time.

In response to the southern railroads' statement, SHTA argues that, while the carriers are to be commended for establishing open-end incentive rates, even these rates are in jeopardy because of severe competition from motor carriers, whose rates who have not increased to the extent of increases published by the railroads.

Part II(A): Coordinator's conclusions

From the evidence presented in this proceeding, it is apparent that general rate increases on lumber and lumber products have not been self-defeating with respect to generating revenues. The record has shown that, while price has little effect upon the consumption of lumber, housing starts and year-to-year changes of income strongly affect lumber use. Figure 19, which correlates housing starts and lumber prices with recent general freight rate increases, indicates that lumber prices fluctuate with the number of housing starts in a particular year independently of general increases. There are indications that price increases have been greater than rate increases. As seen in the case of Douglas-fir lumber, on a constant value basis freight rates have fallen to 94 percent of the rate in 1943 while lumber prices on a constant value basis are 43 percent higher than in 1943.

Although, on the whole, it appears that general increases have not been self-defeating, there do appear to be some problem areas. The rail share of total traffic from the western and southern producing regions has, in almost all instances, been steadily declining. Rail tonnage shipped, however, has generally increased in both regions (although there has been a decline in the mountain region of mountain Pacific territory). In the end, however, and most significantly, the evidence indicates there has been a net growth in gross revenues for the carriers in both regions. In particular, the southern railroads state that from 1967 through 1973, their gross revenues rose 82 percent.

WWPA and the western railroads, as might be expected, have taken sharply antagonistic positions throughout this proceeding and have done so concerning the self-defeating nature of general increases. These two parties spend considerable time battling over figures pertaining to the amount of lumber shipped from the West. Regardless, it appears that from 1967 to 1974 western lumber shipments declined by about 25 percent to the Midwest and East, and southern lumber shipments increased 20 percent to the same areas in that period. However, the rail share of western lumber to the South has increased. (See table 11.) Also, the percentage of western softwood lumber production has increased at the expense of the South. In 1946 the West produced 55.6 percent of this lumber as opposed to 37.1 percent of southern production. In 1974, the figures were 70.8 percent and 24.5 percent, respectively. The western railroads have also apparently exaggerated their hardships. They estimated that they have lost about $75 million resulting from holddowns since Ex Parte No. 256. They have also stated that there is strong evidence the transcontinental rate structure, depressed to meet water competition and market competition, is lower than necessary in today's setting and for future needs. Yet, despite this assertion, the western railroads state that gross revenue derived from primary forest products increased significantly from 1967 to 1974. They claim that this shows that general increases have not been self-defeating but rather "have enhanced the revenue position of the carriers."

It is thus apparent that railroad freight rate structure for lumber and lumber products, although not perfect, has worked well for both the carriers and shippers. In harmonizing the interests of both western shippers and carriers, there have been some rough edges. The Commission has ordered holddowns when it thought that the full application of the proposed general increase would considerably hamper the ability of western shippers to market their product in midwestern and eastern territories. It has allowed full application of the percentage increases when it determined that such increases would not hamper the marketing of western lumber and when the revenue needs of the carriers warranted it. Hence, both parties appear to have benefitted from the current rate system and we will recommend that no particular rate relationship be formulated. We only recommend, as stated in part I, that in future general increase cases the Commission consider the request within existing economic climate, particularly the housing market, and grant or refuse holddowns as the comparative needs of the carriers and shippers warrant.

Finally, the southern carriers allege that they have been denied substantial amounts of revenue because of the Commission's failure to act promptly on the carriers' requests for general rate increases. We believe that the Commission has acted as promptly as possible and will continue to do so. We realize the importance of these matters. But in the interest of justice, the Commission must digest numerous and extensive pleadings as it attempts to balance the interests of the carriers, shippers, and public in reaching an informed, and not hasty, decision.

Part III: Disparities and distortions caused by general increases

Under part III of the Coordinator's March 14, 1975, order, the parties were requested to present evidence relating to rate changes, affected by general rate increases, for the movements of lumber and lumber products which may have resulted in disparities and distortions between competing shippers and/or localities. In this part, we will summarize and evaluate the evidence presented in response to part III of the Coordinator's order.

The southern railroads do not believe that the application of general rate increases has resulted in disparities or distortions in the rate structure. The preponderance of lumber and lumber products traffic, both within southern territory and from southern to official, southwestern, and WTL territories. moves on mileage scales of rates. The general rate increases have been applied uniformly to the scale rates and thus there has been no major disruptions in relative rate relationships of competing shippers or localities.

The southern railroads submit, however, that application of percentage increases would tend to increase the spread in the various scales, particularly in the higher mileages. The spreading effect can be observed by comparing the rate scales applicable within southern territory at the Ex Parte No. 233 level (figure 20) with those at the Ex Parte No. 305-A level (figure 21).

Figure 20

Lumber Rate Scales In Southern Territory At X-223 Level

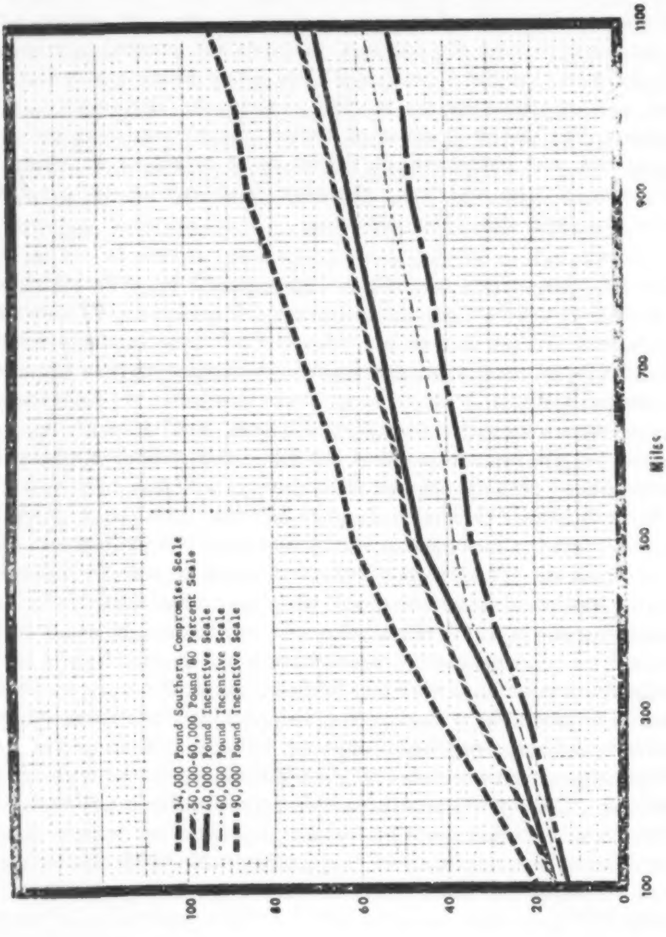
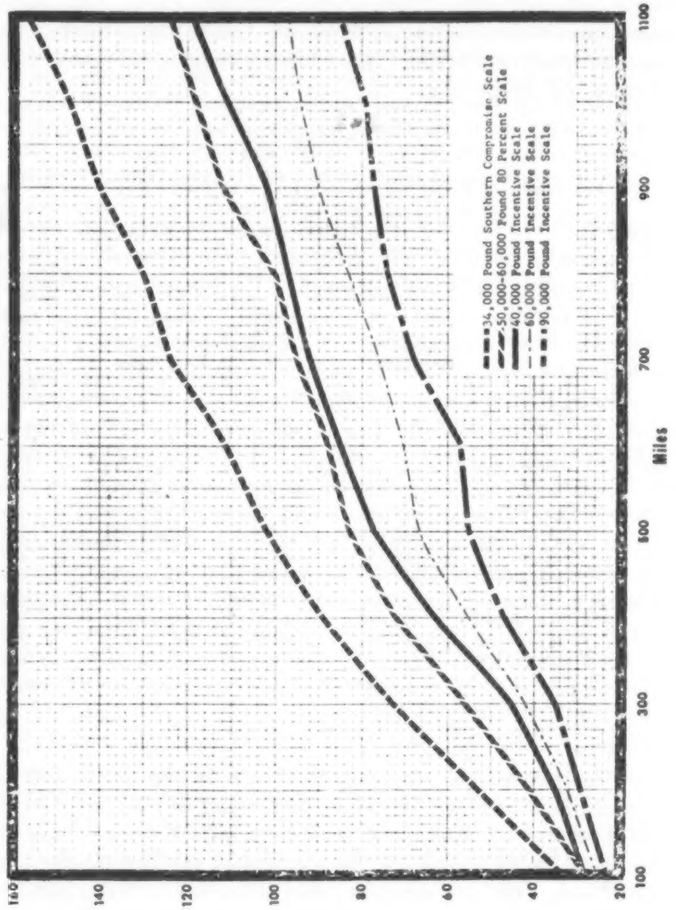


Figure 21

Lumber Rate Scales In Southern Territory At X-305-A Level



However, the southern railroads argue that if the general rate increases had created major disparities or distortions in the rate structure, the carriers could reasonably expect serious diversions of lumber and lumber products traffic. This has not transpired. In fact, the southern carriers have experienced significant increases in their originated tonnage. From 1967 through 1973, the amount of southern district carriers originating lumber and lumber products tonnage rose from 6,465,218 to 7,987,691 net tons (table 114) or an increase of 24 percent.

TABLE 114

Relationship of lumber and lumber products originated freight and revenue to all carload revenue freight traffic southern district[1] (1964-1973)

Year	Net tons originated		Revenue		Percentage lumber and lumber products of all freight traffic	
	All freight traffic	Lumber and lumber products traffic	All freight traffic	Lumber and lumber products traffic	Tons originated	Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1964	285,530,558	5,711,982	$1,341,115,422	$59,682,449	2.0	4.5
1965	297,228,786	5,974,726	1,400,859,569	63,525,094	2.0	4.5
1966	313,250,740	6,259,701	1,485,696,894	64,660,168	2.0	4.4
1967	328,671,100	6,465,218	1,517,158,101	64,647,458	2.0	4.3
1968	330,057,275	6,624,833	1,630,227,631	71,159,061	2.0	4.4
1969	340,584,027	6,887,390	1,785,412,784	75,093,175	2.0	4.2
1970	351,016,590	6,707,003	1,936,281,093	77,878,080	1.9	4.0
1971	348,096,398	7,221,172	2,124,470,292	95,063,617	2.1	4.5
1972	367,392,904	8,063,550	2,279,028,446	110,799,415	2.2	4.9
1973	380,218,211	7,987,691	2,481,492,000	117,683,000	2.1	4.7

[1] Formerly shown as southern region.

Source: ICC Freight Commodity Statistics.

SFPA believes that the rate structure as applied to the southern pine shippers has been distorted as a result of holddowns applied by the railroads on lumber and related articles from and between mountain Pacific territory. As a result of the distortions caused by holddowns, the rail carriers have incurred a substantial loss of revenue.

In determining the loss of revenue to the railroads due to the imposition of holddowns, the southern railroads submitted the Trans-Continental Freight Bureau Standing Rate Committee's report dated January 10, 1974. In regard to the loss of revenue caused by rate reductions, the committee noted:

> As we see it, if this market competitive factor is recognized as justifying an adjustment in rates on particleboard, since western plywood and lumber also compete with production in the south, the same recognition would have to be given to plywood and lumber, probably at existing or only slightly higher minimum weights. Based upon movement statistics for 1971, each 1 cent per 100 pounds reduction in rates on board or sheets would reduce carrier's revenue by over $200,000 or, in other words, a reduction of 5 cents per 100 pounds on boards or sheet would reduce carriers' revenue by over $1,000,000. If a comparable reduction of 5 cents per 100 pounds was also made on plywood and lumber, carriers' revenue would be reduced by almost $14,000,000. These figures emphasize the need for extreme caution in making a market competitive adjustment on any forest product in the lumber tariffs.

Thus, the estimated revenue loss by the rail carriers for every 5¢ reduction in freight rates applying to lumber, plywood and particleboard, based upon 1971 movement statistics, would be $15 million.

Table 115 presents the difference since Ex Parte No. 256 between fully increased rates and rates subject to holddowns, on lumber and related articles with a carload minimum of 75,000 pounds, as applied to the Portland to Chicago and the blanket rate territory.

Columns 6 and 8 of table 115 set out the rates actually published from the Pacific Northwest, and indicates what such rates would have been if subjected to the full measure of increases authorized by the Commission. Columns 7 and 9 of table 115 set out the rates as they were, subject to holddowns approved by the Commission. Accordingly to SFPA, this demonstrates that in considering rates to Chicago, the holddowns have deprived the rail carriers of 22¢ per cwt. in revenue; and in considering rates to the blanket territory, the holddowns have deprived the rail carriers of 17¢ per cwt. in revenue. Of course, it should be noted that from and to other points, lesser or greater reductions would accrue, because even group rates do reflect distance to some degree.

Thus, SFPA argues that in combining the calculations of table 115 with the TCFB committee's revenue loss of estimates, and using an average reduction under the fully increased rates of 15¢ per cwt., the revenue loss from mountain Pacific origins to eastern destinations amounts to at least $45 million annually.

TABLE 115

Lumber and related articles, carload minimum 75,000 lbs. Portland to Chicago and blanket rate territory—fully increased rates v. rates subject to maximums

Ex Parte No.	Effective	Increase			Rates			
		Percent	Holddowns (cents per cwt.		Chicago		Blanket	
			Chicago	Blanket	Percent	Holddown	Percent	Holddown
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
						Cents per cwt.		*Cents per cwt.*
Base	August 18, 1967	--------	----------	----------	134	134	141	141
256	August 19, 1967	--------	3	3	137	137	144	144
259-B	November 28, 1968	5	----------	----------	144	137	151	151
262	November 16, 1969	6	----------	----------	153	153	160	160
265-B	November 20, 1970	6	----------	----------	162	162	170	170
267-B	April 12, 1971	12	15	15	181	171	190	185
281-B	October 23, 1972	5	4	6	190	181	200	191
295-A	August 19, 1973	3	----------	----------	196	186	206	197
299-A	March 16, 1974	2.8	----------	----------	201	191	212	203
303-A	March 9, 1974	4	----------	----------	209	199	220	211
305-A	June 20, 1974	3.3	----------	----------	216	206	227	218
		10	10	15	238	216	250	233

WWPA argues that there are disparities and distortions resulting from general increases. It submits that the law of supply and demand determines the price to be paid in the marketplace, whether the product comes from the West or the South. The products are comparable as to quality and grade, and, therefore, the producer must meet the price of his competitor. SFPA contends that for the western producer to compete he must absorb the difference in the freight charges paid by his southern competitor. In the event the western producer cannot absorb these differences in costs without incurring a loss, he is compelled to forego the sale. Not only is the producer adversely affected, but so are the railroads and their revenues.

WWPA refers to tables 96 through 99 where the spread between the rates from the West and the South has markedly increased since the advent of Ex Parte No. 256. In the Portland and Hattiesburg comparison, the spread in the rates has increased from 79.4 cents per cwt. to 116.6 cents per cwt. at the Ex Parte No. 305 level, an

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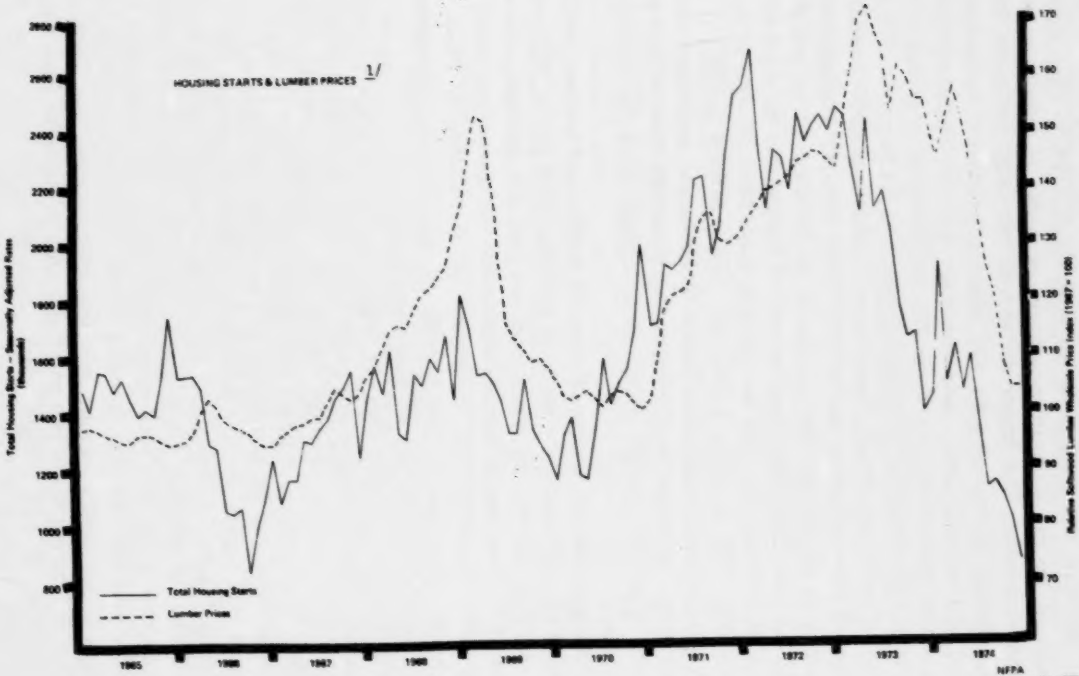
increase in spread in rates of 37.2 cents per cwt. Computed on the basis of 2,350 pounds per M board feet and an average 40,000 board feet per car, this results in an additional $349.60 that must be absorbed by the western producers in order to compete in the common market. The larger the spread becomes, the more freight disadvantage is incurred by the western producer. In comparing rates of Portland, Oreg., and Andrews, S.C., to Philadelphia, Pa., there was, prior to the Ex Parte No. 256 increase, a spread of 95.1 cents per cwt. This has increased through the Ex Parte No. 305 level to 151.2 cents per cwt. Computing on the basis of 2,350 pounds per M board feet of lumber and 40,000 board feet per average car the western producer has had to absorb an increase of an additional $516 per car. The additional amount of freight that he must absorb prior to Ex Parte No. 256 would have been $905.20, and at the Ex Parte No. 305 level is $1,421.20. Thus, WWPA contends that increases of such magnitude result in distortion and disparities in marketing conditions over competitive situations that existed prior to the repeated general increases in freight rates but horizontal methods.

SPS urges that the system of rates on lumber and lumber products be viewed as a constantly evolving and adaptable fabric, responsive to changing conditions. They contend that the general increases since 1967 have caused neither disparities nor distortions except as they have inhibited the movement of a commodity from one producing location to the benefit of another, or hampered a commodity's distribution to particular localities.

SPS reiterates its view that the large diversion to truck within the producing regions themselves reflect the short-haul economies and flexibility of motor carriage which the railroads cannot match. Further, the current tendency of northwestern lumber to remain in the Northwest can be attributed to the recent increase in housing starts in that region and the substantial volume of sawlogs exported to Japan. Figure 22 shows that the price of lumber fluctuates with the number of housing starts in any year. The SPS demand analysis showed that price has very little effect upon the consumption of lumber, and instead that housing starts, along with year-to-year changes in per capita income, strongly affect lumber use. Thus, the number of housing starts in a particular area in any year, rather than an increase in rail freight rates, determines the flow of this commodity. Therefore, SPS argues that disparities have not resulted from the imposition of general increases.

Figure 22



HOUSING STARTS & LUMBER PRICES 1/

NFPA
February 25, 1975

1/ Courtesy of: National Forest Products Association.

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SPS has noted, however, a distortion in the underlying system of rate relationships which has been slowly aggravated by the imposition of general increases. Although there is no evidence which indicates that this distortion has hampered the movement of lumber to the localities under consideration, it has resulted in increasing prejudice to certain shippers who have had to pay higher costs, distance considered, than shippers located in adjacent areas. These localities are in certain portions of Michigan, Indiana, Tennessee, Mississippi, and Alabama. Considering the rates to nearby localities, these areas are subject to charges which are disproportionately high compared to the distance involved.

Thus, as indicated by map 4, in 1974 the rate on lumber from the Northwest to Illinois was $2.16, 8 cents over the rate to Iowa. East of Illinois, there was a small group of graded rates. Then came the blanket rate of $2.33, a jump of 17 cents. For commodities other than rough lumber, the sudden increase was even higher, i.e., $2.37 to destinations in Michigan and $2.42 to most of Indiana, differentials of 21 cents and 26 cents, respectively. This sudden difference is even more dramatic when it is noted that, for commodities other than rough lumber, rates to the following three groups were graded upward by no more than 2 cents between groups. In fact, it cost no more to ship rough lumber to New Hampshire than to Indiana. For commodities other than rough lumber, the increase from eastern Indiana to the tip of Maine was no more than 9 cents. An indication of the effect of general increases upon this distortion may be obtained from a comparison of maps 3 and 4.

A similar situation appears in the South. As seen in map 4, the rate on lumber from the Northwest to Arkansas and Louisiana was $2.14 in 1974, the same as the rate to the eastern part of Texas and southeastern Oklahoma. There followed a small group along the western edge of Tennessee and Mississippi to which the rate was $2.16. Eastward to the remaining groups in Tennessee, rates increased as follows: $2.28, $2.38, $2.44, $2.46, and $2.51, an increase of 35 cents between the western and eastern portions of one State and a differential of 37 cents, eastern Tennessee over Arkansas.

To the rest of Mississippi, the rates increased from $2.16 to $2.28, to $2.33, a variance of 17 cents, eastern over western Mississippi and a difference of 19 cents eastern Mississippi over Arkansas. To groups in Alabama, the rates increased as follows: $2.35, $2.44, $2.46, a difference of 11 cents, eastern over western Alabama and a differential of 32 cents eastern Alabama over Arkansas-Louisiana. To the following group, western Georgia, rates rose only 2 cents. Map 4 indicates that in 1974 lumber from the Northwest could be shipped all the way to the southern tip of Florida for only 5 cents more than the charge to eastern Alabama. An indication of the effect of general increases upon this distortion may be obtained from a comparison of maps 3 and 4.

SPS states that modification of this distortion demands a careful balancing of both the shippers' interests and the revenue needs of the carriers, especially the eastern roads. They offer no immediate formula to fairly adjust the existing situation; but they recommend this entire adjustment be given the closest scrutiny.

Part III(A): Coordinator's conclusions

It appears that the application of general increases not caused any substantial disparities or distortions in the freight rate structure, but that some distortions in the freight rate structure have been amplified by general increases. The southern railroads note that application of percentage increases would tend to increase the spread in rate scales in the higher mileages. If there were, however, major disparities or distortions, there would have been serious diversions of the lumber and lumber products traffic. This has not occurred. Both western and southern carriers have generally increased their tonnage shipments and both report significant increases in revenue.

SFPA and WWPA both renew arguments made previously: there should be a holddown formula for southern shippers tied to the holddown received in the West, and that the rate spread between the West and the South has widened, due to general increases, to the detriment of the West. Their arguments have previously been considered and rejected. As seen in table 116, the Portland-to-Chicago rate is today about the same percentage of the Hattiesburg-to-Chicago rate as it was in 1964. And, as noted before with the relationship between housing starts and lumber consumption, the freight rate on lumber is not the deciding factor in this product's movement.

TABLE 116

Lumber rate comparisons—Portland, Oreg. v. Hattiesburg, Miss., to Chicago, Ill.

(RATES IN CENTS PER CWT.)

Date	Proceedings	Rate Portland, Oreg.	Rate Hattiesburg, Miss.	Spread	Percentage increase since 1964		Percentage increase year to year		Hattiesburg rate as a percentage of Portland rate
					Portland	Hattiesburg	Portland	Hattiesburg	
July 10, 1964	Southern adjustment	134	54.6	79.4					40.74
August 19, 1967	Ex Parte No. 256	137	56.6	80.4	2.23	3.66	2.23	3.66	41.31
November 28, 1968	Ex Parte No. 259	144	59.4	84.6	7.46	8.79	5.10	4.94	41.25
November 18, 1969	Ex Parte No. 262	153	63.0	90.0	14.17	15.38	6.25	6.06	41.17
June 9, 1970	Ex Parte No. 265-A	161	65.8	95.2	20.14	20.51	5.22	4.44	40.86
October 20, 1970	Ex Parte No. 265-B	162	66.6	95.4	20.89	21.97	0.62	1.21	41.11
October 20, 1970	Ex Parte No. 267-A	172	70.6	101.4	28.35	29.30	6.17	6.00	41.04
April 12, 1971	Ex Parte No. 267-B	177	75.2	101.8	32.08	37.72	2.90	6.51	42.48
February 5, 1972	Ex Parte No. 281 (2¢ maximum)	179	77.0	102.0	33.58	41.02	1.12	2.39	43.01
October 23, 1972	Ex Parte No. 281-B (4¢ maximum)	181	79.0	102.0	35.07	44.68	1.11	2.59	43.64
August 19, 1973	Ex Parte No. 295-A (3%)	186	81.8	104.2	38.80	49.81	2.76	3.54	43.97
October 1, 1973	Ex Parte No. 299 (1.9%)	190	83.6	106.4	41.79	53.11	2.15	2.20	44.00
January 1, 1974	Ex Parte No. 299 (2.6%)	191	83.6	107.4	42.53	53.11	0.52	-0-	43.76
March 9, 1974	Ex Parte No. 303 (4%)	199	87.2	111.8	48.50	59.70	4.18	4.30	43.81
March 16, 1974	Ex Parte No. 299 (2.8%)	199	87.4	111.6	48.50	60.07	-0-	0.22	43.91
June 20, 1974	Ex Parte No. 305-A (3.3% and 10¢ maximum)	216	99.4	116.6	61.19	82.05	8.54	13.72	46.01

[1] Rates taken from opening statement of WWPA appendix 1, Hattiesburg rates figured on basis of 75,000-pound shipment. Additional weight in car results in lower rate per cwt.

Finally, as seen in maps 3 and 4, the differentials between rate groups have widened with successive general increases, a distortion that is inherent with percentage increases. SPS states that it can offer no formula to modify such distortions but it recommends that this matter be given the closest scrutiny. Since there were no other comments on this matter and since there was no evidence showing that the movement of lumber was hampered, we can only recommend that affected and interested parties should bring up any such distortions or inequities in future general increases proceedings where a more extensive record can be developed on this matter.

Part IV: Uneven Effects of Increases on Individual Railroads

The Coordinator's March 14, 1975, order requested the parties to provide the Commission with substantive evidence designed to show the uneven effects (if any) of general rate increases in freight rates on lumber and lumber products on individual railroads, why these results may have occurred, and what remedial action could be taken. None of the parties responded in this part.

Part V: Railroad Service

In part V, appendix C, of the order of March 14, 1975, the Coordinator asked the parties to submit any evidence bearing on the issue of whether general increases have provided sufficient revenues to induce the railroads to undertake improvements in service to meet shippers' requirements, and whether the railroads, in requesting general increases in freight rates, have taken into account possible variations in lumber and lumber products services being provided shippers.

Only two parties, SPS and the southern carriers, responded in this section. SPS requests that the Coordinator suggest the institution of a rulemaking proceeding to define the proper holding time and the maximum reasonable circuity in the carriage of lumber. It notes that lumber may be sold by either firm order or in-transit lumber dealers. Firm-order dealers are either wholesalers or fully integrated lumber companies located in mountain Pacific, southern, and southwestern territories. Most of these concerns have adequate warehouse facilities and storage areas for their lumber, generally referred to as kiln-dried lumber, which they route directly to customers from whom they have a definite order prior to shipment.

In-transit dealers are jobbers or brokers who ship lumber before they have a buyer for it. They buy their lumber, generally called green-dimension lumber, mostly from small sawmill operators in mountain Pacific territory and Canada. After the lumber is milled it is loaded immediately into railcars for shipment. While the cars are in transit the dealers mail out lists of cars, describing their contents, to prospective buyers. This type of marketing takes time, which the dealers obtain by routing their shipments circuitously to hold points for reconsignment when a buyer is found. By directing their traffic over circuitous routes, SPS argues, these dealers have been receiving free warehousing for many years and have contributed to the boxcar shortage problem. As the Commission has observed, this practice inevitably results in the detention of some cars:

> It may properly be pointed out that the placing of shipments in transit with the intention of selling them while they are on the rails of the carriers inevitably results in detention to some cars. The small mill is constantly tempted to put cars on the rails to secure an advance from the wholesaler, even though trade conditions are such that there is no possiblity of disposing of the lumber within a reasonable time after the cars reach the hold point. When the shipment reaches the hold point and the market is rising, the wholesaler has an incentive to hold the shipment awaiting further advance in price. On a falling market the consumer defers purchase. *American Wholesaler Lumber Asso.* v. *Director General*, 66 I.C.C. 393, 407 (1922).

SPS argues that the use of the reconsignment privilege solely for the purpose of obtaining marketing delays has been repeatedly criticized by the Commission, and has led to a number of service orders in times of emergency, since undue detention constitutes an effective impediment to the most efficient use of the boxcar fleet.

> Diversion requests have placed an increasing burden on railroad physical operations in recent years because of the widespread practice of preblocking cars to move in unit blocks for thousands of miles without interruption. Many years ago it was a common practice for each major railroad yard to perform a substantial amount of intermediate classification or reclassification of inbound trains. Today cars once blocked at origin are not normally switched until the block destination is reached, perhaps more than halfway across the country, and after passing intact through several dozen intermediate railroad yards. Solid blocks are made daily at Eugene, Oreg., for North Platte, Nebr., 1,631 miles; Denver, Colo., 1,500 miles; and El Paso, Tex., 1,738 miles. A diversion request which requires cutting into one of the blocks means delays from 1 to 1 1/2 hours and added costs with the necessary yard engine-movement and road traincrew. *** [*Diversion and Reconsignment Rules and Charges*, 337 I.C.C. 686, 691 (1970).]

SPS does not suggest that in-transit merchandising, which is a customary procedure and an integral part of the marking of lumber, be eliminated. It recognizes that the shortest route is not necessarily the best route, either in terms of time or operating efficiency.

However, it claims that the availability or use of extremely circuitous routes concurrent with direct routes which are operationally feasible represents potential economic waste.

The southern railroads state that in spite of the fact that the general rate increases have not provided sufficient revenues, the southern carriers have expended substantial amounts of capital to acquire specialized equipment to handle lumber and lumber products.

They point to the development of the bulkhead, chain tiedown, flatcar which reduces the loading and unloading costs associated with handling lumber in conventional equipment. Since its introduction in 1962, shipper demand for this type of equipment has continued to grow.

By January 1975, four southern railroads had purchased or built 2,074 bulkhead, chain tiedown, flatcars to handle lumber traffic, a capital expenditure of $38,522,387. The combined car acquisitions and capital expenditures of the four southern carriers for the years 1962 through 1974 are shown below:

TABLE 117

Bulkhead, chain tiedown flatcar acquisitions

Year	Number of cars	Capital expenditure	Average cost per car
1962	81	$1,269,464	$15,672
1963	201	3,204,722	15,944
1964	464	7,797,935	16,806
1965	331	5,434,689	16,419
1966	--------	--------	--------
1967	348	6,360,471	18,277
1968	1	17,795	17,795
1969	49	805,064	16,430
1970	150	2,815,746	18,772
1971	50	943,580	18,872
1972	85	1,826,285	21,486
1973	115	2,461,752	21,407
1974	199	5,584,884	28,065
Total	2,074	$38,522,387	--------

Source: Individual carrier records.

As seen above, from 1962 through 1974 the average cost per car rose from $15,672 to $28,065 or an increase of 79 percent.

In addition to new acquisitions, Southern Railway modified 256 cars of its existing car fleet at a cost of $1,377,872 to handle lumber traffic. Thus, the four southern carriers have purchased, built or modified a total of 2,330 cars representing a capital expenditure of $39,900,214 from 1962 through 1974, to satisfy the needs of the lumber and lumber products industry.

Introduction to large capacity bulkhead, chain tiedown, flatcars has also improved the average loading weight per car of the southern carriers' lumber and lumber products traffic. Using the statistical data below, the southern railroads calculated the average loading weight per car for lumber and lumber products and for all other carload freight traffic from 1964 through 1973.

TABLE 118

Relationship of lumber and lumber products originations to all freight traffic

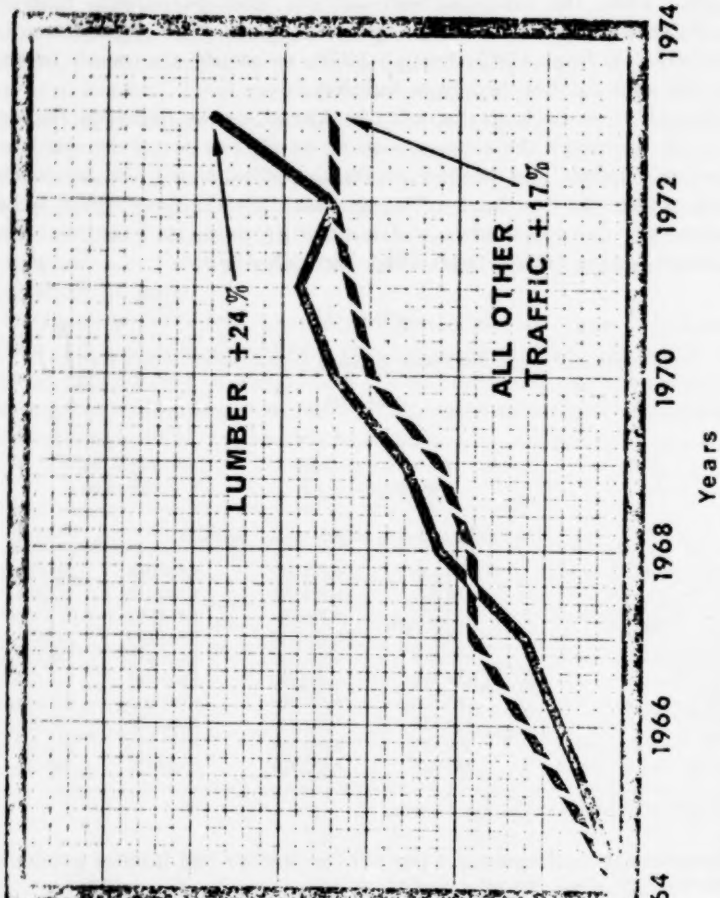
(1964-1973)

Year	Lumber and lumber products originations		All freight traffic originations	
	Cars	Tons	Cars	Tons
1964	164,534	5,711.982	5,604,968	285,530,558
1965	168,690	5,974,726	5,680,158	297,228,786
1966	173,320	6,259,701	5,824,002	313,250,740
1967	176,153	6,465,218	5,925,059	328,671,100
1968	172,509	6,624,833	5,922,883	330,057,275
1969	176,312	6,887,390	6,013,065	340,584,027
1970	165,808	6,707,003	6,015,023	351,016,590
1971	174,555	7,221,172	5,908,338	348,096,398
1972	199,129	8,063,550	6,191,159	367,392,904
1973	185,038	7,987,691	6,387,138	380,218,211

Source: ICC Freight Commodity Statistics.

This average loading weight per car for lumber and lumber products and for all other freight traffic is compared in figure 23.

FIGURE 23


Index
130
120
110
100
1964
1966
1968
1970
1972
1974
Years
LUMBER +24%
ALL OTHER TRAFFIC +17%

During the period, average loading weight per car on lumber and lumber products increased 24 percent while all other freight traffic rose only 17 percent.

While the overall increase in average loading weight per car on lumber and lumber products is significant, individual commodity groups have recorded even more dramatic increases in average loading.

TABLE 119

Lumber and lumber products traffic originated by southern district class I railroads in 1964 and 1973

STCC	1964 Originations			1973 Originations			Increase (decrease) in originations 1964 verus 1973					
	Cars	Net tons	Average weight per car (net tons)	Cars	Net tons	Average weight per car (net tons)	Cars	Percent	Net tons	Percent	Average weight per car (net tons)	Percent
241[1]	51,226	1,843,294	36.0	40,722	1,616,974	39.7	(10,504)	(20.5)	(226,320)	(12.3)	3.7	10.3
242	61,488	2,414,828	39.3	67,208	3,251,434	48.4	5,720	9.3	836,606	34.6	9.1	23.2
243	10,085	295,445	29.3	34,262	1,469,186	42.9	24,177	239.7	1,173,741	397.3	13.6	46.4
244	16,644	321,415	19.3	10,835	224,376	20.7	(5,809)	(34.9)	(97,039)	(30.2)	1.4	7.3
249	25,091	837,000	33.4	32,011	1,425,721	44.5	6,920	27.6	588,721	70.3	11.1	33.2
Total	164,534	5,711,982	34.7	185,038	7,987,691	43.2	20,504	12.5	2,275,709	39.8	8.5	24.5

[1] Excluding pulpwood logs and chips.

Source: ICC Freight Commodity Statistics, years 1964 and 1973.

In table 119, average loading weight per car of the individual lumber and lumber product commodity groups is compared for the years 1964 and 1973. Average loading of commodity group STCC 243 rose from 29.3 to 42.9 net tons, an increase of 46.4 percent, and STCC 249 increased from 33.4 to 44.5 net tons, an increase of 33.2 percent.

The southern railroads attribute the increases in average loading weight on lumber and lumber products to the bulkhead, chain tiedown, flatcar and to the incentive lumber rates maintained by the southern carriers.

COORDINATOR'S CONCLUSIONS

In the report in Ex Parte No. 270 (Sub-No. 2), ***Investigation of Railroad Freight Service***, 345 I.C.C. 1223, we noted that two current pending Commission rulemaking proceedings, Ex Parte No. 285, ***Maintenance of Records Pertaining to Demurrage, Detention and other Related Accessorial Charges by Rail Common Carriers of Property*** and Ex Parte No. 289, ***Remittance of Demurrage Charges***, 349 I.C.C. 411, showed the continuing concern of the Commission in the area of detention. We noted that pending decisions, rulemaking, and recent statutory modifications requiring car detention made it unnecessary, in the opinion of the Coordinator, to institute another investigation with regard to detention, 345 I.C.C. at 1286. We reaffirm this view. In that same report we criticized the use of extremely circuitous routes, stating that this practice "allows railroad cars to be used as rolling storage facilities while the involved shippers watch changing market conditions for the commodities they have shipped. *** More than ever, excessive route circuity should be avoided because of its effect upon efficient utilization of equipment." 345 I.C.C. at 1307-8. The Coordinator recommended that the Commission direct a staff study on this issue; upon completion of this study, the Commission can determine which action is needed to resolve this problem.

The southern railroads were the only other party to respond in this part. They state that revenue derived from general rate increases were used to cover increased operating expenses, leaving little revenue for capital expenditure programs. They claim that even though the general rate increases have not provided sufficient revenues, they invested substantial amounts of capital to acquire specialized equipment to move their commodities. For example, the carriers have purchased bulkhead, chain tiedown flatcars; modified many cars of the existing fleet; and increased the average loading weight per car of the southern carriers' lumber and lumber products traffic.

Thus, it appears that lumber traffic has been profitable to the southern carriers and that they are willing to invest long-term capital to retain this traffic. There is no evidence to substantiate the view that general rate increases have not provided sufficient revenues to stimulate capital expenditure programs and to undertake improvements in service to meet shippers' requirements.

Part VI: Matters Not Otherwise Listed

In the event that the parties desired to raise issues germane to this proceeding that would not naturally fall within the ambit of parts I through V, the Coordinator offered the opportunity to present evidence under Part VI, Matters Not Otherwise Listed. Such material, however, has been considered in the part to which we determined it most appropriately pertained.

Part VII: Environmental Assessment

The Coordinator's order of March 14, 1975, contained a threshold environmental assessment and requested the parties submit evidence pertaining to the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. 4321 *et seq.*, which requires Federal agencies to consider environmental amenities in their decisionmaking process and directs that detailed environmental impact statements be issued in conjunction with major Federal actions significantly affecting the quality of the human environment. No party commented directly on this matter. However, based on the total evidence of record in this proceeding we find that no action contemplated by this investigation into the railroad rate structure of lumber and lumber products will have a significant impact upon the quality of the human environment within the meaning of NEPA. Consequently, there is no need to issue a detailed environmental impact statement.

The primary purpose of this investigation is educational in nature; i.e., to describe in detail the nature of the freight rate structures on lumber and lumber products and to pinpoint those areas in the freight rate structures which may require corrective action. This has been done. Accordingly, as we stated in our threshold environmental assessment, the exploratory or inquisitive nature of this investigation means that "the findings in this proceeding will not have an impact on the environment any more than any other fact finding analysis would."

A second reason for the lack of environmental impact is that timber, which is the source of lumber and lumber products, is a renewable natural resource. Lumber's primary substitutes—clay products, cement, steel and aluminum—are not. As seen from the evidence in this proceeding, the Nation's net annual growth of timber (defined as total annual growth less volume of trees dying annually) has been greater than timber removals. Yet it should be noted that more softwood timber is currently being logged from existing commercial timberland than is being grown. However, the actual growth rate of all species is approximately 40 to 60 percent below the rate of potential growth and there is presently no serious problem in this area.

Finally, as seen from the evidence presented here, housing starts and changes in per capita income, not fluctuations in the freight rate for lumber and lumber products, primarily affect the demand for lumber. Therefore, since changes in the freight rate would have little impact on the consumption of lumber and lumber products, our *findings* concerning the freight rate structure should have no significant impact upon the quality of the human environment.

Part VIII: Ultimate Findings

The Coordinator finds:

1. That housing starts and changes in per capita income, not fluctuations in the freight rate for lumber and lumber products, primarily affect the demand for, and movement of, lumber.
2. That the rate structure from the West (blanket rates) is fundamentally different from the southern rate structure (mileage-related rates) and both the Commission and carriers have had to make sensitive adjustments to continue competition from each of these major producing areas. The Commission has ordered holddowns in general increase cases when it determined that the full application of the proposed increase would seriously affect the ability of the western shippers to market their product in midwestern and eastern territories. It has allowed application of general increases when it determined that such increases would not impair the marketing of western lumber and the revenue needs of the carriers warranted it.
3. That there should be no holddown formula tying southern rate increases to western holddowns nor any other fixed relationship between these two regions. The Commission should consider any future general rate increase within the existing economic climate,

including the nature of the housing industry, and grant or refuse holddowns as the comparative needs of the carriers and shippers warrant.

4. That the lumber list, promulgated by the Commission in *Rates on Lumber and Lumber Products*, 52 I.C.C. 598 (1919), is still a valid concept, but there should be flexibility in its application and departure allowed where conditions, such as different transportation conditions or strong or negligible competition from other modes, warrant.

5. That the overall freight rate structure on lumber and lumber products is compensatory and not unreasonably high, but that some individual rates are noncompensatory and others are abnormally high.

6. That the carriers have been innovative and have shown concern for shipper needs as witnessed by the incentive rates, specialized equipment, blanket rates, and holddowns.

7. That, on the whole, general rate increases on lumber and lumber products have not been self-defeating with respect to generating revenues, although the rail share of total traffic from the western and southern producing regions has in almost all instances been steadily declining. There has been, however, a net growth in gross revenues for the carriers in both regions.

8. That the application of general increases authorized by the Commission has not caused any substantial distortions in the freight rate structure but that some distortions in the freight rate structure exist which have evolved apart from the general freight increases and which have been amplified by such general increases, and such distortions should be brought to the Commission's attention in future general increase proceedings and be given the closest scrutiny.

9. That no evidence was presented regarding the uneven effects of general increases on individual railroads.

10. That general increases on lumber and lumber products have not been shown on this record to be insufficient to induce the railroads to undertake improvements in service to meet shippers' requirements.

11. That the circuitous routing of freight cars should be studied for possible future corrective action.

12. That this report does not constitute a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969

It is ordered, That this subnumbered proceeding be, and it is hereby, closed.

By The Commission, Commissioner Hardin, Coordinator.

APPENDIX A[1]

Lumber—SPC 48.—The lumber industry consists of sawmills ranging in size from small portable mills, usually powered by tractors and cutting a few thousand board feet a day, to large, automated mills capable of cutting a million feet or more a day.

The Bureau of Census reported a total of 8,018 establishments in 1972 compared with 10,271 in 1967. The decline in number of mills occurred chiefly in the smaller size classes. Of the total number of sawmills operating in 1972, the Bureau estimated that 6,324 mills had fewer than 20 employees each.

Lumber production in 1972 was 38 billion board feet, including 31.2 billion feet of softwood and 6.8 billion feet of hardwood.

Lumber usually is sorted and graded according to standard grading rules, developed and promulgated by trade associations, which apply to different species or groups of species. Such rules permit the consumer to select the quality of lumber best suited to his needs with a minimum of waste.

Shingles and shakes—SPC 48.—Wood shingles and shakes are thin rectangular pieces of wood used to cover roofs and sidewalls of buildings, laid in overlapping rows. Production is concentrated in the Pacific coast States near the source of western red cedar, the predominant wood used for this purpose. In 1972, production of western red cedar shingles and shakes was 2,693,900 squares. The value of domestic shipments of red cedar shingles and shakes was $66.6 million. In addition, shipments of shingles other than red cedar were valued at $1.3 million in 1972.

More than 897 million board feet of wood were treated in wood-preserving plants in 1972. Shipments included 12.8 million crossties and switch ties valued at $71 million, poles valued at $194 million, lumber and timbers valued at $124 million, and miscellaneous shipments at $63 million.

Creosote and pentachlorophenol are the most widely used preservatives, although other chemicals are employed. In 1969, about 80 percent of all material treated in wood-preserving plants was treated with creosote or creosote solution. Most stock exterior millwork is treated with pentachlorophenol at the millwork plant.

Railroad ties—SPC 49.—Because of its strength, resilience, spike-holding capacity, sound-absorbing qualities and other properties, wood is the most satisfactory material known for railroad ties. Railroads in the United States require between 20 and 25 million new crossties annually for construction and maintenance of rights-of-way (about 3,000 crossties are in use per mile of track). Oak, gum, douglas fir, and southern pine are the leading species used for ties, although several others are acceptable.

Because ties are used under conditions likely to cause decay, they are usually treated with creosote or other preservatives. The problem of mechanical wear, a major factor limiting the life of ties, has been partially overcome by selecting dense woods, using wide tie plates under the rails, providing a smooth bearing surface, and leveling the ties on the bed.

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[1] This appendix is excerpted from "Summary of Information of Lumber and Wood Products," U.S. Department of Commerce, Domestic and International Bureau Administration (Wash., D.C., G.P.O. 1974) pp. 1-11.

Mine timbers—SPC 49.—Large quantities of round and sawed timbers and lumber are used in mining operations. Underground mines usually require roof support and protection against cave-in. This often is accomplished by using wood posts equipped with caps and grits (a mine set) with appropriate lagging (boards on roof or sides). Wood also is used for mine ties and other purposes.

Posts—SPC 50.—It is estimated that over 170 million wood posts are used annually in the United States, chiefly for farm and highway fences. Most of these are produced from farm woodlots, but a number of large commercial post producers and distributors have appeared in some regions.

Production of posts offers an opportunity to utilize small trees removed in forest thinnings and logs and bolts not suitable for lumber. Posts usually are cut to 7- or 8-foot lengths with top diameters of 3 to 6 inches.

Poles—SPC 50.—It is estimated that approximately 6 to 7 million poles are produced annually in the United States for use in telephone, telegraph, and electric power lines. Trees for poles are carefully selected in the woods and must have long, straight poles with little taper. Poles should be light in weight, yet sufficiently strong to support the required load of wire as well as loads imposed by snow and ice or wind pressure. Heavy woods, while possessing excellent physical properties, are less economical to handle, transport, and erect.

Piling—SPC 50.—A pile is a heavy timber (usually in the round) which is driven into the ground as a support or foundation for a building, wharf, or other structure. The term sometimes is applied to round timbers used in trestles, bridges, etc., even though not driven into the ground. The selection, harvesting, and processing of piles is similar to that for poles. Southern, jack, ponderosa and red pines, douglas fir, western red cedar, eastern larch, oak, and cypress are species commonly used. Piles usually are treated unless they are to be driven entirely below the level of the ground-water table. No official data are available on pile production, but annual output probably is about 30 million linear feet.

Millwork—SPC 51.—Products of the millwork industry include a wide variety of items, such as doors, sash, window and door frames, moldings, and cabinet work. The principal raw material for millwork production is lumber. Ponderosa pine is the most commonly used species, followed by douglas fir. Other species are used, but in much smaller quantities. Plywood also is used as a raw material for millwork, chiefly for flush doors and cabinets. In 1972, the wood millwork industry used about 1,750 million board feet of lumber, nearly 750 million square feet of veneer, and approximately 400 million square feet of plywood.

Individual millwork plants vary widely in both operations and size. Some concentrate on a limited range of products, while others produce a varied line. Frequently millwork plants are integrated with plants producing component materials, such as sawmills and plywood plants.

In 1972, according to the Bureau of Census, there were 2,418 millwork plants, with 70,500 employees. The greatest concentration of the industry was in California, New York, Texas, Illinois, Florida, Pennsylvania, Wisconsin, New Jersey, Michigan, and Ohio. These 10 States accounted for more than 50 percent of the establishments, the number of employees, and the value of shipments. California and Wisconsin accounted for approximately one-fifth of the number of plants and value of shipments.

The value of shipments of all products by the millwork industry in 1972 was $2,414 million.

Plywood and veneer—SPC 52.—The plywood and veneer industry is composed of the softwood segment centered in the West and South and the hardwood segment, mainly in the East. The western softwood industry, which began in the early part of the century, includes 133 plants. The southern softwood industry, established in 1964, has grown rapidly to 59 plants. Additional plants are under construction and others are planned. The hardwood plywood industry included 239 plants in 1972.

Softwood plywood production in 1972 amounted to 17.8 billion square feet (3/8 inch thickness basis), including 5.2 billion square feet of southern pine. Hardwood plywood production amounted to 2.25 billion square feet (surface measure) in that year. The principal softwood-producing States in 1972 were Oregon, Washington, California, Montana, Idaho, and Louisiana. The principal hardwood producing States were North Carolina, South Carolina, Wisconsin, Tennessee and Oregon.

Most plywood plants produce their own veneer. However, some purchase all or part of their veneer from independent veneer plants, which also supply veneer for furniture, containers, and other manufactures.

Veneer is a thin sheet of wood, less than 1/4 inch in thickness, rotary cut or sliced from a log, bolt, or flitch (shaped section of log). Most hardwood and softwood veneer is used in the manufacture of plywood, where adhesive-coated veneers are bonded under pressure in a hot press.

Hardwood dimension—SPC 53.—The hardwood dimension industry consists of plants that convert lumber into sizes and forms suitable for use, with a minimum of waste, by manufacturers of industrial products. The industry is located mainly in the Eastern States near sources of hardwood lumber. In 1972, products of the industry were valued at $302 million.

Dimension stock varies in degree of processing, from rough pieces cut to the approximate size desired by the end-product manufacturer through semi-finished to completely finished parts ready for assembly. It may be solid or glued up, and air-seasoned or kiln-dried. In 1972, the industry utilized 889 million board feet of lumber, including 673 million feet that went into furniture and 216 million feet into other industrial products, such as vehicles, agricultural implements, ladders, gunstocks, skis, golf clubs, shutters, tool handles, and brush backs. Of the total lumber used, 240 million feet went into completely fabricated parts.

Hardwood flooring—SPC 54.—Unlike softwood flooring, which is produced along with other lumber items in planing mills, hardwood flooring generally is made in separate plants, usually from purchased lumber.

The industry is located mainly in the Eastern States. Tennessee, Arkansas, Virginia, and Alabama are the leading producing States. The southern and Appalachian production areas are referred to as the oak-flooring region and the northern area as the maple-flooring region.

In 1972, according to the Bureau of the Census, the value of shipments of hardwood flooring amounted to $115 million. Shipments of oak flooring totaled 307 million board feet and shipments of maple flooring amounted to 27 million feet. Other species of hardwood accounted for an additional 35 million feet, plus an unknown quantity valued at $12.5 million.

Wood Particle board.—Particle board is an engineered product, mat-formed, consisting of machine wood particles such as granules, chips, slivers, flakes and shavings, of a controlled moisture content and size, bonded together with a synthetic resin or other added binders into a panel form under controlled heat and pressure in a hot press. The United States commenced production of wood particle board after World War II. By 1973 the industry had increased to 72 plants with an annual production of about 3.6 billion square feet (3/4" thickness basis).

The most important use for particle board is as core stock for wood veneered or plastic-covered table and desk tops and other furniture, fixtures, and built-in cabinets. The second most important end use is in construction, where the product is employed as an underlayment panel for resilient floor coverings.

OTHER WOOD PRODUCTS—NOT IN SPC GROUPS

Hardboard.—Hardboard is the generic term for a hard, dense, grainless panel composed of wood fibers consolidated in a press under heat and pressure. By industry definition, hardboard weighs over 31 pounds per cubic foot, as distinguished from insulation board which weighs 31 pounds or less per cubic foot. The panels have high tensile strength and density, and relatively low water absorption. The product has a wide variety of industrial and construction applications. Many of these are based upon research which has resulted in development of a range of densities, thicknesses, and surface finishes.

In 1972 more than 1.9 million short tons of hardboard were produced by 27 plants located on the west coast, in the Lake States, and in the South. Imports in 1972 amounted to 356,630 short tons. Hardboard export statistics are not separately classified.

Insulation board.—Insulation board ranges in density from 10 to 31 pounds per cubic foot. It is processed into a variety of products such as wallboard, sound-deadening board, regular and acoustical ceiling tile, wall sheathing, and several specialized building construction and industrial panel products. In 1972, vegetable fiber insulation board production amounted to over 1.5 million short tons; imports were 35,020 short tons, and exports were 25,775 short tons.

Wood Pallets.—A pallet is a platform or base on which goods are stored or shipped. Palletization was given tremendous emphasis during World War II when mass movement of goods with a minimum of handling was vital to the war effort. Since that time, palletization has been extensive in commercial distribution systems.

Wood pallet production increased from 30 million units in 1945 to an estimated 135 million units in 1972. In the latter years, domestic shipments of pallets and skids were valued at $283 million. The wood-pallets-and-skids industry was included for the first time in the 1972 census of manufacturers, which showed 449 establishments with more than 14,000 employees.

The industry consists of some 1,500 firms, mostly small, including about 500 that maintain year-round production. Pallets can be made with simple tools—hammer, saw, and jig—but larger plants are equipped with automatic nailing machinery, handling equipment, etc.

In addition to solid wood pallets, plywood pallets are manufactured. These have plywood decks separated by stringers or blocks. Glue is used in conjunction with nails, screws, or other mechanical fasteners in their assembly.

Pallet containers have come into general use for bulk-type products such as potatoes, fruits, and vegetables, and industrial materials and products. These consist of a pallet base with sides and ends to form a bin, crate or box (with top). The sides, ends, and top may be collapsible or demountable to facilitate shipping when empty. Because of their bulk and shipping costs, distance to market is an important consideration. Economic shipping distance for delivery of empty pallets may range from 50 to 1,000 miles, depending on geographic area and means of transportation.

Dowels and Dowel Pins.—Dowel rods and pins, referred to collectively as dowel or doweling, are cylindrical pieces of wood usually made in diameters ranging from 18" to 1" and in lengths varying from 1" to 6'. Dowel pins or pegs ordinarily are only a few inches in length, in contrast with dowel rods or sticks, which generally are a foot or more in length.

Dowels are made of softwoods, such as pine and fir, and hardwoods, such as oak, ash, and hickory. Softwood rods are produced as a step in the manufacture of broom and mop handles, shade rollers, and similar products. Rods also are used as component parts in the manufacture of such articles as clothes-drying racks, ladders, containers, and furniture, and as stock in the making of dowel pins.

Dowel pins are made chiefly of hardwoods and used in reinforcing wood joints in the assembly of furniture and other woodworking products such as doors, door frames, and window sashes.

About 100 domestic concerns produce wood dowel rods and pins for sale, usually in conjunction with the output of other wood products, such as millwork and furniture. Manufacturers are located in various parts of the country, with concentration in the South and in the Pacific Northwest.

About 10 known producers specialize in the manufacture of broom and mop handles, which in the primary stage of manufacture are plain dowel rods about 3" to 4" in diameter and 4' or more in length. These captive dowels are made chiefly of domestic softwoods of the pine and fir species and are comparable to imports of plain mopstick dowels. Plants specializing in the manufacture of broom and mop handles are about equally divided between the Pacific Northwest and the South.

Domestic shipments of dowels and pins totaled $25.6 million in 1972 compared with $15.2 million in 1967. Imports in 1972 were valued at $3.2 million.

APPENDIX B

TABLE 119A

CARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 24000: LUMBER & LUMBER PRODUCTS(UNSPECIFIED)

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
686	WINCHENDON	MA	CANONSBURG	PA	31120	36000	71.90	3.99	27.40	23.96	27.02	31.36	30.05	114	101	87	91

TABLE 119B

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
443	COSTIGAN	ME	ALBANY	NY	60000	60000	101.58	3.39	15.00	13.07	16.05	17.09	16.87	114	93	87	88
505	FRYEBURG	ME	DEPOSIT	NY	60000	60000	89.11	2.97	15.00	14.83	17.92	19.13	18.91	101	83	78	79
635	DIXFIELD	ME	HONESDALE	PA	60000	60000	76.54	2.55	16.20	16.50	20.02	21.48	21.07	98	80	75	77

TABLE 119C

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
132	CABDELL	WV	RANKIN	PA	62000	60000	190.00	6.13	8.09	6.01	6.90	7.09	7.39	136	117	114	109
289	MARCELLUS	MI	GALESBURG	IL	73100	60000	154.29	4.22	12.20	8.58	10.13	10.29	10.74	142	120	118	113
372	LAUREL	VA	HOLLIDAYSBURG	PA	62000	60000	105.22	3.39	12.63	11.18	12.87	13.54	13.75	112	98	93	91
372	LAUREL	VA	HOLLIDAYSBURG	PA	62840	60000	106.06	3.38	12.56	11.05	12.74	13.38	13.59	113	98	93	92
372	LAUREL	VA	HOLLIDAYSBURG	PA	61960	60000	105.19	3.40	12.63	11.18	12.86	13.55	13.78	112	98	93	91
428	ROGERS	WV	GREEN SPRINGS	WV	72000	60000	132.90	3.69	15.80	10.46	12.31	12.71	12.96	151	128	124	122
575	VAN BUREN	ME	HARTFORD	CT	78000	60000	116.02	3.03	17.40	12.80	16.40	16.62	16.50	135	106	104	105
716	HOLLAND	NY	TELL CITY	IN	78000	60000	95.78	2.44	17.49	10.83	13.34	13.79	13.41	161	131	126	130

TABLE 119D

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
104	EDWIGHT	WV	KENOVA	WV	86000	60000	221.92	5.04	5.25	4.15	4.96	4.82	5.10	126	105	108	102
230	BRIDGEPORT	CT	SOUTH ROYALTON	VT	92000	60000	170.78	3.71	8.54	6.01	7.70	7.42	7.66	142	110	115	111
279	MORRISVILLE	VT	NASHUA	NH	81760	60000	121.35	2.97	8.28	7.76	10.09	9.90	10.16	106	82	83	81
279	MORRISVILLE	VT	NASHUA	NH	81760	60000	121.35	2.97	8.26	7.76	10.09	9.90	10.16	106	82	83	81
600	PORT HURON	MI	BUTLER	NJ	83380	60000	133.61	3.20	19.20	13.22	15.83	16.09	16.27	145	121	119	118
821	WATERLOO	NY	TELL CITY	IN	92000	60000	102.41	2.23	18.28	10.31	13.08	13.11	12.79	177	139	139	142
970	SHERBURNE	NY	TELL CITY	IN	100000	60000	100.82	2.02	19.36	10.93	14.11	13.91	13.54	178	138	140	144
1423	MT WHITTIER	NH	JASPER	IN	84920	60000	74.86	1.76	25.09	20.07	25.67	26.12	25.18	125	97	96	99

TABLE 119E

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS) CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS) DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS DOLLAR BASIS (16)
93	MAN	WV	KENOVA	WV	114000	60000	286.74	5.03	4.78	3.26	4.04	3.74	3.99	147	116	127	119
169	RONCEVERTE	WV	KENOVA	WV	114000	60000	171.75	3.09	5.69	3.96	5.01	4.68	4.78	163	113	121	116
360	BEVERLY	WV	PIQUA	OH	112000	60000	160.11	2.86	10.29	6.09	7.75	7.37	7.49	169	132	139	137
404	RONCEVERTE	WV	LOUISVILLE	KY	120000	60000	161.88	2.70	10.90	5.40	7.06	6.57	6.65	201	154	165	164
431	EAGLE LAKE	ME	NASHUA	NH	120000	60000	222.74	3.71	16.00	8.02	11.07	10.01	10.50	199	144	159	152
462	ROGERS	WV	FULTON	VA	110000	60000	161.90	2.94	13.60	7.64	9.58	9.20	9.40	177	141	147	144
462	ROGERS	WV	FULTON	VA	110000	60000	161.90	2.94	13.60	7.76	9.68	9.30	9.53	175	140	146	142
976	MT WHITTIER	NH	ROANOKE	VA	107100	60000	98.30	1.84	17.95	14.76	19.39	18.63	18.51	121	92	96	97

TABLE 130P

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 24000: LUMBER & LUMBER PRODUCTS(UNSPECIFIED)

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
491	ASHLAND	WI	SPRINGFIELD	MA	121000	60000	165.99	2.76	13.47	8.46	11.75	10.69	10.93	159	114	126	123
491	ASHLAND	WI	SPRINGFIELD	MA	121000	60000	165.99	2.74	13.47	9.42	12.71	11.65	12.17	143	105	115	110

TABLE 130Q

ACTUAL WEIGHT GROUP: 140001 TO 160000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
299	WELLSTON	OH	STRONGSVILLE	OH	146000	60000	183.75	2.52	7.53	3.9	5.34	4.75	4.51	166	140	152	153
646	FRAMETOWN	WV	PORT HURON	MI	142000	60000	161.05	1.99	12.67	7.0	9.46	8.57	8.62	183	134	150	140

TABLE 130R

ACTUAL WEIGHT GROUP: 180001 TO 200000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
366	ELLINGTON	WV	ORANGE	VA	162000	60000	206.72	2.27	8.31	3.90	5.45	4.65	4.24	213	152	176	171

TABLE 131

STCC 24100: PRIMARY FOREST PRODUCTS

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
167	BLUEFIELD	WV	KENOVA	WV	132000	60000	276.65	4.19	7.80	3.66	4.65	4.24	4.51	191	150	165	155

TABLE 131A

STCC 24200: LUMBER & DIMENSION STOCK

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
308	FOSTORIA	OH	PORT HURON	MI	36000	0	58.45	3.25	10.00	17.27	18.79	20.84	21.74	57	53	47	47
342	WELLSTON	OH	STRONGSVILLE	OH	36000	0	77.14	4.29	16.60	16.32	17.93	20.12	20.06	102	93	83	83
402	FRAMETOWN	WV	FOSTORIA	OH	36000	0	57.30	3.18	12.80	19.21	20.99	23.51	23.43	66	60	54	54
404	RONCEVERTE	WV	LOUISVILLE	KY	36000	0	94.46	5.25	21.20	19.25	21.03	23.57	23.68	110	100	89	89

TABLE 131B

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
329	CHICAGO	IL	DEARBORN	MI	50000	0	55.97	2.21	7.10	11.42	12.97	14.05	14.05	62	54	51	50
329	CHICAGO	IL	DEARBORN	MI	46000	0	55.97	2.30	7.39	11.84	13.40	14.58	14.57	62	55	51	50

TABLE 131C

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
215	CHICAGO	IL	RICHMOND	IN	64000	0	50.44	1.79	3.76	8.00	9.26	9.62	9.84	46	40	39	38
226	CHICAGO	IL	GRAND LEDGE	MI	70000	0	111.91	3.97	7.22	7.52	8.82	9.05	9.25	96	81	79	78
670	BERNE	IN	BALTIMORE	MD	80000	70000	145.67	3.64	24.40	11.21	13.76	14.09	13.79	217	177	173	176
471	CHICAGO	IL	NEWPORT NEWS	VA	76000	0	49.98	1.27	12.35	15.86	19.20	19.79	19.51	77	64	62	63

TABLE 131D

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN OFFICIAL TERRITORY

STCC 24200: LUMBER & DIMENSION STOCK

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
171	CHICAGO	IL	GRAND HAVEN	MI	62300	0	173.80	4.22	7.22	6.04	7.18	7.16	7.43	119	100	106	97
306	CHICAGO	IL	SAGINAW	MI	72600	0	63.02	1.56	4.78	7.45	8.96	9.06	9.16	64	55	52	52
308	CHICAGO	IL	CEDAR LAKE	MI	66060	0	95.71	2.22	6.65	7.06	8.58	8.57	8.69	96	79	79	76
546	CHICAGO	IL	CLARKSBURG	WV	84360	0	95.40	2.26	12.35	9.40	11.57	11.70	11.56	131	106	105	106
692	CHICAGO	IL	BUFFALO	NY	81780	0	53.68	1.31	9.08	12.36	14.93	15.21	15.20	73	61	59	59
751	NORFOLK	VA	ROYAL OAK	MI	81700	60000	116.23	2.85	21.77	10.60	13.19	13.46	13.64	205	162	158	163
795	MILLER	IN	WHITE MARSH	MD	81580	0	64.18	1.57	12.51	12.03	14.89	15.23	14.80	104	84	82	84

TABLE 131E

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
875	THURSO	PQ	LA GRANGE	KY	115000	115000	177.43	3.09	27.00	11.00	14.08	13.49	13.56	245	191	200	199
965	SHERBURNE	NY	TELL CITY	IN	113320	60000	109.42	1.93	19.62	10.85	14.23	13.64	13.46	175	133	139	141

TABLE 131F

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
754	CHICAGO	IL	WINCHESTER	VA	122500	0	96.91	1.58	11.92	9.50	12.25	11.55	11.69	125	97	103	102

TABLE 133A

ORIGINATING IN SOUTHERN TERRITORY

STCC 24100: PRIMARY FOREST PRODUCTS

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
200	BAINBRIDGE,GA	GA	PENSACOLA,FL	FL	56000	50000	114.80	4.10	8.20	7.26	8.20	8.72	9.16	113	99	94	89
680	LEESBURG	FL	MILWAUKEE	WI	60000	60000	66.18	2.21	15.00	9.86	11.89	13.05	12.44	152	126	114	120

TABLE 133B

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
167	MANNING,SC	SC	WILMINGTON,NC	NC	66000	50000	138.32	4.19	7.00	4.91	5.69	5.88	6.20	142	123	119	112
267	ABEL,GA	GA	VIDALIA,GA	GA	66000	50000	76.95	2.32	6.20	5.78	6.61	7.09	7.30	107	91	87	84
366	WILBURN,FL	FL	MACON,GA	GA	77500	50000	86.68	2.46	9.00	7.51	8.88	9.27	9.48	119	101	97	96
371	THOMASVILLE,GA	GA	JACKSON,TN	TN	78000	50000	117.74	3.02	11.20	6.96	8.32	8.55	8.77	161	134	131	127
409	BAXTER,FL	FL	BRUNSWICK,GA	GA	74000	60000	44.99	1.22	4.97	6.72	8.09	8.40	8.48	74	61	59	58
676	ASHBURN	GA	WILMINGTON	NC	66000	50000	76.15	2.31	15.60	11.11	13.23	14.16	14.03	140	117	110	111
1042	SLADE	FL	NASHUA	NH	70000	60000	66.50	1.90	31.30	27.37	33.36	35.40	34.66	113	93	88	90

TABLE 12C

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 24100: PRIMARY FOREST PRODUCTS

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS): TON AND TON-MILE (10)	FULLY ALLOCATED COST PER NET TON (DOLLARS): CAR AND CAR-MILE (11)	FULLY ALLOCATED COST PER NET TON (DOLLARS): DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS: TON AND TON-MILE (14)	% OF RATE TO FULLY ALLOCATED COSTS: CAR AND CAR-MILE (15)	% OF RATE TO FULLY ALLOCATED COSTS: DOLLAR BASIS (16)
141	INTERSTATE,GA	GA	CHARLESTON,SC	SC	84000	60000	184.68	4.40	6.20	3.76	4.48	4.45	4.75	166	138	139	130
141	INTERSTATE,GA	GA	CHARLESTON,SC	SC	84000	60000	184.68	4.40	6.20	3.74	4.46	4.43	4.73	165	138	139	131

TABLE 12D

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
252	CAMILLA	GA	PENSACOLA	FL	102360	60000	203.10	3.97	10.00	4.67	5.76	5.60	5.90	214	173	178	169

TABLE 13A

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
367	CHAPMAN	AL	MANCHESTER	TN	25100	40000	51.68	2.58	10.00	10.97	12.29	13.96	13.85	91	81	71	72

TABLE 13B

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
122	RICHMOND	VA	ROCKY MOUNT	NC	41000	40000	96.97	4.73	5.77	6.27	6.94	7.56	7.49	92	83	76	77
177	LINEVILLE,AL	AL	EAST POINT,GA	GA	60000	60000	94.92	3.16	5.60	6.55	7.46	7.84	8.27	85	75	71	67
203	FAYETTEVILLE	TN	LAWRENCEBURG	TN	46600	40000	60.35	2.59	5.26	4.53	5.31	5.95	5.86	116	99	88	89
415	BARNWELL	SC	RICHMOND	VA	42200	40000	67.93	3.22	13.36	13.75	15.36	17.13	17.25	97	87	77	77
463	ALLENTOWN	GA	BARTOW	FL	60000	60000	76.46	2.55	11.80	8.59	10.09	10.88	10.84	137	116	108	108
561	WELDON	NC	JACKSONVILLE	FL	43000	40000	61.62	2.67	15.51	13.33	15.02	16.96	16.02	116	103	91	97
561	WELDON	NC	JACKSONVILLE	FL	43000	40000	61.62	2.67	15.51	11.25	12.94	14.90	14.20	137	119	104	109
671	BARNWELL	SC	GREEN SPRING	WV	60000	60000	84.93	2.83	19.00	15.08	17.51	18.86	18.78	126	108	100	101
705	NEW ORLEANS	LA	TAMPA	FL	41200	40000	53.29	2.59	18.24	15.22	17.61	20.27	19.22	119	104	90	94
895	NEW ORLEANS	LA	INDIANAPOLIS	IN	60000	60000	101.90	3.40	30.40	14.06	16.85	18.46	17.65	216	180	164	172
1427	JACKSON	TN	EAST RUTHERFORD	NJ	60000	60000	67.65	2.25	32.20	20.91	25.23	27.80	25.97	153	127	115	123

TABLE 13C

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
57	CLIFFSIDE	KY	LOUISVILLE	KY	78400	60000	321.26	8.20	4.67	2.96	3.48	3.43	3.74	157	134	136	124
149	PETERSBURG	VA	GREENVILLE	NC	62000	60000	115.57	3.73	5.55	5.52	6.36	6.65	6.97	100	87	83	79
150	CARTERSVILLE	GA	KNOXVILLE	TN	62800	60000	120.29	3.83	5.75	4.53	5.27	5.47	5.71	126	109	106	100
393	EUTAW	AL	MEMPHIS	TN	69000	60000	67.71	1.96	7.71	7.49	8.81	9.25	9.38	103	87	83	82
393	EUTAW	AL	MEMPHIS	TN	69000	50000	114.50	3.32	13.04	7.43	8.81	9.25	9.38	175	148	141	139
406	TULLAHOMA	TN	STUTTGART	AR	71300	50000	108.05	3.03	12.37	6.25	9.77	10.15	10.36	197	126	121	119
422	MOBILE	AL	MEMPHIS	TN	76800	60000	94.12	2.45	10.36	6.02	7.42	7.68	7.60	172	139	134	136
544	MONTEREY	TN	MONTICELLO	ID	75800	60000	111.87	2.95	16.06	7.09	8.79	9.17	8.95	226	182	175	179
643	PIEDMONT	AL	MCCOMB	MS	64000	60000	57.60	1.80	11.58	11.06	13.10	14.07	13.96	104	88	82	82
773	TUSCALOOSA	AL	HILLSBORO	FL	66000	60000	58.21	1.76	13.64	14.05	16.41	17.46	17.74	97	83	78	76
962	BARBOURVILLE	KY	FT SMITH	AR	74100	50000	76.14	1.93	18.52	11.36	14.19	14.71	14.25	163	130	125	129
993	MCMINNVILLE	TN	MIAMI	FL	72900	60000	64.42	1.77	17.55	14.26	17.13	18.07	17.97	123	102	97	97
1002	WHITESBURG	KY	MINNESOTA TRANS	MN	73100	60000	96.81	2.59	25.96	13.75	16.69	17.53	17.26	188	155	148	150
1010	ASHEVILLE	NC	FORT SMITH	AR	62000	50000	66.97	2.16	21.82	14.22	17.17	18.69	17.84	153	127	116	122
1193	BARBOURVILLE	KY	BEVERLY	MA	61700	60000	65.35	2.15	25.69	21.36	25.92	28.27	26.64	120	99	91	96

TABLE 13D

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 24200: LUMBER & DIMENSION STOCK

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
150	CHAPMAN	AL	PHENIX	AL	90400	90000	166.64	3.77	5.60	3.46	4.22	4.15	4.36	161	132	134	128
277	CULLMAN	AL	HENRY	TN	86300	60000	100.50	2.33	6.45	4.96	6.01	6.02	6.26	130	107	107	102
494	PLYMOUTH	NC	MARTINSBURG	WV	90400	60000	119.15	2.62	12.96	7.30	9.14	9.12	9.08	177	141	142	142
530	APPALACHIAN	KY	MEMPHIS	TN	96600	90000	99.40	2.02	10.69	6.74	7.91	7.61	7.66	171	135	136	135
571	CHARLESTON	SC	SUFFOLK	VA	88000	90000	67.78	1.51	8.60	7.86	9.84	9.88	9.80	109	87	87	87
573	PAMPLICO	SC	GREEN SPRINGS	WV	90000	60000	117.28	2.61	14.53	9.93	12.12	12.16	12.36	150	123	122	120
612	BREWTON	AL	CRESTWOOD	KY	94000	90000	99.51	2.12	12.96	6.10	10.09	10.02	10.15	160	128	129	127
642	BAY MINETTE	AL	LOUISVILLE	KY	85900	50000	111.05	2.59	16.60	8.58	10.60	10.60	10.63	193	156	153	153
666	HERMANSVILLE	MS	SPRINGFIELD	IL	98860	60000	117.94	2.39	15.89	7.06	9.96	9.87	9.94	201	159	160	159
667	WAYNESBORO	MS	ST LOUIS	MO	95600	90000	90.55	1.89	12.44	8.47	10.40	10.51	10.63	149	119	120	118
678	BREWTON	AL	LEXINGTON	KY	95300	90000	86.91	1.82	12.37	7.57	9.59	9.57	9.55	163	128	129	129
682	MARLOW	TN	WILSON	NC	90000	90000	72.58	1.61	11.00	8.69	10.82	10.94	10.97	126	101	100	108
751	PAMPLICO	SC	MUNCY	PA	82000	60000	91.80	2.24	16.81	13.69	16.51	16.93	17.00	122	101	99	98
805	CROSBY	MS	CHICAGO	IL	97520	60000	116.76	2.39	19.28	9.16	11.60	11.55	11.56	210	166	166	166
832	PIKEVILLE	TN	TOLEDO	OH	100000	60000	94.71	1.85	15.76	10.37	13.06	12.91	12.93	151	120	122	121
837	HURTSBORO	AL	BERWYN	IL	98900	60000	105.49	2.21	18.53	9.33	11.85	11.77	11.78	196	156	157	157
847	DEWEESE	MS	ORION	IL	81900	60000	86.61	2.12	17.91	11.17	13.75	14.14	14.04	160	130	126	127
861	DEMOPOLIS	AL	MONTICELLO	ID	82000	60000	81.72	1.99	17.16	9.87	12.44	12.88	12.46	173	137	133	157
861	DEMOPOLIS	AL	MONTICELLO	ID	82000	60000	81.72	1.99	17.16	12.67	15.24	15.66	16.00	135	112	109	107
968	DEWEESE	MS	COLUMBUS	OH	87360	60000	90.67	2.08	20.09	12.17	15.35	15.60	15.13	165	130	128	132
989	WIGGINSVILLE	MS	PAINTSVILLE	KY	95000	90000	75.23	1.58	15.66	11.65	14.68	14.69	14.63	134	106	106	107
1036	HERMANSVILLE	MS	BRIDGETON	MO	86700	60000	54.07	1.25	12.52	12.17	15.20	15.56	15.36	106	85	83	84
1235	WETCO	NC	MIAMI	FL	96000	90000	57.09	1.19	14.69	14.70	18.18	18.24	18.56	99	80	80	79
1235	WETCO	NC	MIAMI	FL	96000	90000	57.09	1.19	14.69	11.42	14.90	14.96	14.41	128	98	98	101
1365	DEWEESE	MS	WATERLOO	NY	94100	60000	84.59	1.80	24.54	16.76	21.03	21.10	20.65	146	116	116	117
1650	MEMPHIS	TN	S BRAINTREE	MA	96000	36000	108.69	2.22	36.60	17.55	22.71	22.61	21.78	208	161	161	168
1650	MEMPHIS	TN	S BRAINTREE	MA	[illegible]	60000	82.17	1.68	27.67	17.55	22.71	22.61	21.78	157	121	122	177

TABLE 13E

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
108	PLYMOUTH	NC	EMPORIA	VA	106900	90000	215.16	4.03	4.75	2.92	3.57	3.40	3.68	148	121	127	117
339	PLYMOUTH	NC	PHILADELPHIA	PA	112500	60000	194.27	3.65	11.71	4.96	6.39	6.07	6.19	235	183	193	169
[illegible]	PAMPLICO	SC	BROOKNEAL	VA	117700	115000	99.29	1.69	6.56	5.77	7.32	6.94	7.20	113	89	94	91
[illegible]	FULTON	AL	MEMPHIS	TN	107400	90000	90.99	[illegible]	7.81	5.75	7.30	7.08	7.25	135	106	110	103
[illegible]	PLYMOUTH	NC	BROOKLYN	NY	103200	60000	126.53	[illegible]	[illegible]	6.81	10.92	10.68	10.93	147	118	121	118
340	WIGGINS	MS	SHAMROCK	FL	116500	90000	109.82	1.89	10.18	6.01	7.77	7.42	7.59	169	131	137	134
[illegible]	BAY SPRINGS	MS	HAZELWOOD	MO	100100	90000	98.62	[illegible]	[illegible]	[illegible]	9.56	9.41	9.58	142	113	115	113
369	PLYMOUTH	NC	NEWTON	PA	110500	60000	120.95	2.19	12.46	7.11	9.21	8.83	8.82	171	135	161	161
611	BAY SPRINGS	MS	CARROLLTON	TX	113600	50000	120.12	2.11	12.08	7.08	9.08	8.69	8.88	162	142	146	165
625	DEWEESE	MS	INDIANAPOLIS	IN	110300	60000	135.31	2.45	13.33	[illegible]	9.72	9.37	9.53	201	157	163	160
748	TIE PLANT	MS	KENTON	OH	101200	60000	108.15	2.14	[illegible]	[illegible]	11.93	11.74	11.61	169	134	136	155
773	CHAPMAN	AL	COLUMBUS	OH	105900	60000	130.02	2.45	10.72	8.26	10.75	10.46	10.35	230	176	181	183
883	BAY SPRINGS	MS	BUTLER	IN	114500	60000	120.48	2.10	18.58	9.45	12.23	11.75	11.83	196	151	158	157
924	FULTON	AL	ANN ARBOR	MI	107000	60000	126.63	2.37	21.07	9.91	12.93	12.56	12.35	220	169	174	177
981	FULTON	AL	NO RANDALL	OH	107000	60000	119.27	2.23	21.87	10.38	13.55	13.17	12.93	210	161	166	169
1001	WILMINGTON	NC	WIXOM	MI	116340	60000	122.90	2.11	21.15	10.37	13.70	13.06	12.86	203	154	161	164
1015	CROSBY	MS	SOUTHPORT	IN	107460	60000	92.12	1.71	17.40	11.23	14.39	14.03	14.05	155	120	124	123
1085	GRENADA	MS	PORTSMOUTH	VA	110000	50000	119.63	2.16	23.60	10.60	13.75	13.38	13.38	222	171	176	176
1085	GRANADA	MS	PORTSMOUTH	NH	110000	90000	75.57	1.37	14.91	10.60	13.75	13.38	13.38	140	108	111	111
1156	WAYNESBORO	MS	DELAWARE	OH	101500	60000	82.96	1.63	18.89	13.05	16.60	16.40	16.33	144	113	115	115
1176	WIGGINS	MS	KENT	OH	104600	60000	96.60	1.61	21.31	12.91	16.52	16.21	16.16	165	128	131	131
1193	ALCOLU	SC	HOUSTON	TX	112000	50000	96.37	1.76	20.96	11.27	15.38	14.86	14.92	176	136	141	140
1336	CAMDEN	AL	HUTCHINSON	KA	100400	50000	84.84	1.69	22.56	12.06	15.82	15.64	15.17	186	142	144	148

TABLE 119

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 24200: LUMBER & DIMENSION STOCK

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

										FULLY ALLOCATED COST PER NET TON (DOLLARS)				% OF RATE TO FULLY ALLOCATED COSTS		
DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
119	CORBIN	KY	ALCOA	TN	124800	90000	225.38	3.61	4.30	2.55	3.21	2.97	3.22	168	133	144	133
150	GREENVILLE	MS	MEMPHIS	TN	120400	90000	186.48	3.10	4.65	2.07	2.73	2.52	2.68	224	170	184	173
196	CHAPMAN	AL	LONG BEACH	MS	124900	90000	172.36	2.76	5.40	3.22	4.11	3.82	4.07	169	133	142	134
283	CHAPMAN	AL	EAST POINT	GA	125660	90000	124.34	1.98	5.60	3.82	4.92	4.59	4.83	148	113	121	116
292	MOBILE	AL	TUSCALOOSA	AL	126000	90000	120.82	1.92	5.60	3.88	5.01	4.67	4.90	144	111	119	114
332	JACKSON	TN	LOUISVILLE	KY	127520	90000	129.68	2.03	6.75	3.60	4.78	4.42	4.56	187	141	152	148
481	PLYMOUTH	NC	BRISTOL	VA	131260	90000	129.19	1.97	9.47	6.01	7.82	7.24	7.47	157	121	130	126
539	PLYMOUTH	NC	NO BRANCH	NJ	128900	60000	138.79	2.15	11.61	6.71	8.71	8.11	8.33	172	133	143	139
656	JONES	NC	DUNDEE	NJ	124600	60000	142.16	2.28	14.96	9.23	11.81	11.17	11.46	162	126	133	130
664	JACKSON	AL	LOUISVILLE	KY	124000	90000	100.96	1.63	10.81	6.17	8.16	7.68	7.79	175	132	140	138
696	DEWEESE	MS	JASPER	FL	136700	90000	96.65	1.38	9.64	6.43	8.59	7.93	8.12	149	112	121	118
707	AHOSKIE	NC	COLUMBUS	OH	125100	60000	134.03	2.14	15.15	8.73	11.30	10.61	10.79	173	134	142	140
719	PLYMOUTH	NC	MEADVILLE	PA	133500	60000	139.40	2.09	15.02	8.16	10.90	9.97	10.21	184	137	150	147
722	JONES	NC	FT LAUDERDALE	FL	136620	115000	122.49	1.76	12.74	6.57	8.80	8.10	8.29	193	144	157	153
729	PULASKI	TN	FLORENCE	SC	133700	90000	97.42	1.46	10.62	6.79	9.03	8.39	8.57	156	117	126	124
758	HERMANSVILLE	MS	CHICAGO	IL	125680	60000	136.49	2.28	16.71	7.27	9.59	9.03	9.18	229	174	185	182
835	FRANKLIN	VA	ERLANGER	KY	122860	90000	86.43	1.37	11.48	7.93	10.47	9.91	10.06	144	109	115	114
848	HUNTLAND	TN	FORT WORTH	TX	127900	50000	119.06	1.86	15.79	8.02	10.81	10.01	10.07	196	146	157	156
859	AHOSKIE	NC	LEXINGTON	KY	128600	90000	86.38	1.36	11.54	7.88	10.46	9.81	9.95	146	110	117	115
859	HURTSBORO	AL	TOLEDO	OH	122100	60000	128.88	2.11	18.13	9.03	11.70	11.15	11.29	200	153	162	160
866	PLYMOUTH	NC	BIDDEFORD	ME	130500	60000	121.26	1.88	16.09	9.76	13.07	12.03	12.25	164	123	133	131
1004	MOBILE	AL	DUBUQUE	IA	125000	60000	123.41	1.97	19.82	9.58	12.56	11.77	11.98	206	158	168	165
1148	MOBILE	AL	DELAWARE	OH	126000	60000	102.67	1.63	18.90	10.17	13.52	12.76	12.84	185	139	148	147
1242	RUSSELLVILLE	SC	FT SMITH	AR	122060	50000	97.78	1.60	19.91	10.98	14.47	13.68	13.76	181	137	145	144
1530	BRENTON	AL	WALLINGFORD	CT	133500	60000	103.98	1.56	23.83	13.49	18.04	16.76	16.78	176	132	142	142

TABLE 120

ACTUAL WEIGHT GROUP: 140001 TO 160000 POUNDS

181	MOBILE	AL	MONTGOMERY	AL	142000	90000	199.56	2.81	5.09	2.80	3.65	3.30	3.56	181	139	154	143
231	ENFIELD	NC	SUMTER	SC	153800	115000	194.64	2.53	5.85	2.81	3.75	3.34	3.55	207	155	175	164
247	PLYMOUTH	NC	BROOKNEAL	VA	151900	115000	176.76	2.33	5.75	3.91	5.12	4.59	4.87	148	112	125	117
323	CROSS CITY	FL	W PALM BEACH	FL	156500	90000	166.90	2.13	6.47	3.38	4.53	4.03	4.27	191	142	160	151
361	FOLKSTON	GA	CHAPMAN	AL	141400	90000	143.51	2.03	7.33	4.03	5.33	4.85	5.08	182	137	150	144
361	FOLKSTON	GA	CHAPMAN	AL	153600	90000	154.91	1.99	7.19	3.76	5.06	4.51	4.75	191	142	159	151
363	ORANGEBURG	SC	EDENTON	NC	152000	115000	151.12	1.99	7.62	4.19	5.59	5.03	5.28	181	136	151	144
553	MARLOW	TN	MARTINS FERRY	OH	153000	60000	171.86	2.25	12.47	5.97	7.92	7.11	7.37	209	156	174	168
571	BROOKHAVEN	MS	STLOUIS	MO	148300	90000	129.11	1.74	9.96	5.51	7.40	6.66	6.91	180	134	149	143
707	FRANKLIN	VA	DELAWARE	OH	158660	60000	159.31	2.01	14.20	7.38	9.95	8.87	9.11	192	142	160	155
833	AMITE	LA	CINCINNATI	OH	150300	90000	111.81	1.49	12.39	6.92	9.44	8.52	8.74	179	131	145	141

TABLE 121

ACTUAL WEIGHT GROUP: 160001 TO 180000 POUNDS

323	CROSS CITY	FL	W PALM BEACH	FL	169800	90000	175.89	2.08	6.31	3.20	4.35	3.81	4.06	197	144	165	156
361	FOLKSTON	GA	CHAPMAN	AL	169100	90000	165.76	1.98	7.06	3.55	4.85	4.26	4.46	199	145	166	157
1157	TIE PLANT	MS	SPENCER	IA	174300	60000	165.98	1.60	19.30	6.55	9.57	8.19	8.43	295	202	236	229

TABLE 122

ACTUAL WEIGHT GROUP: 180001 TO 200000 POUNDS

1091	VALDOSTA	GA	PLEASANTVILLE	NJ	183300	60000	136.35	1.71	18.61	8.20	11.55	9.94	10.27	227	161	187	181

TABLE 10A

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 24300: MILLWORK, VENEER, PLYWOOD & WOOD PRODUCTS

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
877	SCIENCE HILL	KY	WINTER HAVEN	FL	40000	40000	43.79	2.19	19.20	17.90	20.51	24.17	22.60	107	93	79	84
877	SCIENCE HILL	KY	WINTER HAVEN	FL	40000	40000	43.79	2.19	19.20	23.73	26.34	30.00	29.96	80	72	63	64
TABLE 10B																	
ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS																	
626	KNOXVILLE	TN	CROZET	VA	60000	60000	55.59	1.85	11.40	12.39	14.62	15.80	15.39	93	79	73	75
950	NEW ORLEANS	LA	ELKHART	IN	60000	60000	84.63	2.62	26.60	17.57	20.46	22.19	22.04	152	130	120	121
1088	SAVANNAH	GA	MINNEAPOLIS	MN	58000	60000	63.98	2.13	36.00	29.57	34.69	37.26	37.44	121	106	96	96
TABLE 10C																	
ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS																	
276	ATHENS	GA	MORGANTON	NC	66000	60000	74.46	2.26	6.27	5.75	6.79	7.13	7.24	109	92	88	86
395	MEMPHIS	TN	NEW ORLEANS	LA	69400	60000	93.06	2.68	10.59	4.80	6.01	6.39	6.22	220	176	165	170
938	JACKSONVILLE	FL	SHREVEPORT	LA	62000	50000	68.29	2.18	20.46	14.67	17.56	19.08	18.43	140	117	108	112
TABLE 10D																	
ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS																	
471	MILLPORT	AL	WIGGINS	MS	98000	90000	63.31	1.29	6.09	7.61	9.23	9.14	9.61	79	65	66	63
471	MILLPORT	AL	WIGGINS	MS	98000	90000	63.31	1.29	6.09	6.18	7.80	7.71	7.60	98	78	78	78
509	GLOSTER,MS	MS	CHATTANOOGA,TN	TN	88320	90000	97.25	2.16	11.00	7.90	9.61	9.67	9.97	139	114	113	110
653	SAVANNAH	GA	MADISON	AL	96000	90000	79.20	1.65	10.77	8.70	10.88	10.63	10.98	123	101	101	98
653	SAVANNAH	GA	MADISON	AL	96000	90000	79.20	1.65	10.77	6.96	8.90	8.87	8.76	155	121	121	122
900	CORDOVA	AL	DECATUR	IL	82000	60000	67.07	1.64	14.72	10.61	13.08	13.54	13.95	141	112	108	111
900	CORDOVA	AL	DECATUR	IL	82000	60000	67.07	1.64	14.72	13.32	15.99	16.45	16.82	110	92	89	87
935	MILLPORT	AL	WRIGHT CITY	OK	94000	50000	69.16	1.47	13.76	13.52	16.38	16.35	16.92	101	84	84	81
935	MILLPORT	AL	WRIGHT CITY	OK	94000	50000	69.16	1.47	13.76	10.76	13.62	13.59	13.47	127	101	101	102
963	HOLDEN	LA	CHARLESTON	SC	82900	60000	66.35	1.60	15.41	12.80	15.62	16.09	16.18	120	98	95	95
1146	HOLDEN	LA	SIGOURNEY	IA	100000	60000	99.14	1.98	22.76	12.76	16.07	15.91	16.04	178	141	143	141
1343	CHARLESTON	SC	GALVESTON	TX	98000	50000	79.23	1.62	21.71	16.70	20.74	20.54	21.15	129	104	105	102
1343	CHARLESTON	SC	GALVESTON	TX	98000	50000	79.23	1.62	21.71	13.09	17.13	16.93	16.37	165	128	126	131
1357	SAVANNAH	GA	WICHITA	KA	84000	50000	90.07	2.14	29.10	14.15	17.93	18.44	17.76	205	162	157	163
1357	SAVANNAH	GA	WICHITA	KA	84000	50000	90.07	2.14	29.10	14.15	17.93	18.44	17.76	205	162	157	163
TABLE 10E																	
ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS																	
197	TAYLORSVILLE	MS	NEW ORLEANS	LA	105620	90000	134.64	2.55	5.02	4.03	4.99	4.81	5.09	124	100	104	98
302	MILLPORT	AL	PHILADELPHIA	MS	104000	90000	78.96	1.52	4.58	5.78	6.97	6.80	7.28	79	65	67	63
302	MILLPORT	AL	PHILADELPHIA	MS	104000	90000	78.96	1.52	4.58	4.79	5.99	5.87	6.04	95	76	78	75
570	WIGGINS,MS	MS	TUCKER,GA	GA	110700	90000	96.39	1.74	9.93	9.66	11.52	11.23	12.19	102	86	88	81
636	HOLDEN	LA	SPRINGFIELD	MO	101460	50000	120.70	2.38	15.13	8.35	10.41	10.21	10.48	181	145	148	144
638	GLOSTER	MS	NASHVILLE	TN	103040	90000	87.18	1.69	10.80	7.08	9.11	8.94	8.96	152	118	120	120
793	DEWEESE	MS	KANSAS CITY	MO	110700	50000	126.47	2.25	17.83	7.84	10.14	9.82	9.89	227	175	181	180
806	FULTON,AL	AL	KENLY,SC	SC	106000	90000	85.98	1.59	12.83	7.96	10.39	10.11	10.04	161	123	126	127
806	FULTON,AL	AL	KENLY,SC	SC	108000	90000	85.98	1.59	12.83	9.97	12.40	12.13	12.58	128	103	105	101
963	DEWEESE	MS	OJUS	FL	115720	90000	81.75	1.41	13.89	10.16	13.02	12.55	12.82	136	106	110	108
1053	GLOSTER	MS	DETROIT	MI	105980	60000	118.21	2.23	23.49	10.59	13.81	13.49	13.24	221	170	174	177
1290	TAYLORSVILLE	MS	ST PAUL	MN	109980	60000	109.37	1.99	25.66	11.76	15.67	15.06	14.79	218	165	170	172

TABLE 12A

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 24400: WOOD CONTAINERS

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
235	BREWTON	AL	BOYLES	AL	31300	40000	72.20	3.61	7.40	8.43	9.31	10.28	10.65	87	79	72	69
313	GOODYEAR	MS	TARRANT	AL	36000	40000	63.90	3.19	10.00	14.79	16.02	17.56	18.67	67	62	56	53
313	GOODYEAR	MS	TARRANT	AL	36000	40000	63.90	3.19	10.00	11.88	13.11	14.65	14.99	84	76	68	66
398	GOODYEAR	MS	ALEXANDER CITY	AL	40000	40000	63.32	3.17	12.60	14.64	16.08	17.94	18.48	86	78	70	68
398	GOODYEAR	MS	ALEXANDER CITY	AL	40000	40000	63.32	3.17	12.60	11.55	12.99	14.84	14.58	109	97	84	86
611	MERIDIAN,MS	MS	LOUISVILLE,KY	KY	36000	40000	54.34	2.72	16.60	16.88	18.75	21.25	21.31	98	88	78	77
611	MERIDIAN,MS	MS	LOUISVILLE,KY	KY	36000	40000	54.34	2.72	16.60	12.90	14.76	17.26	16.72	128	112	96	101
903	MERIDIAN	MS	HILLSBORO	FL	36000	40000	38.98	1.95	17.60	24.23	26.90	30.66	30.56	72	65	57	57
903	MERIDIAN	MS	HILLSBORO	FL	36000	40000	38.98	1.95	17.60	18.24	20.92	24.68	23.03	96	84	71	76
986	ADEL	GA	HEBRON	MD	32000	30000	43.81	2.74	27.00	37.27	40.43	46.72	46.65	72	66	57	57
986	ADEL	GA	HEBRON	MD	32000	30000	43.81	2.74	27.00	28.04	31.20	37.50	35.09	96	86	72	76
1086	GOODYEAR	MS	MICHIGAN CITY	IN	28000	30000	65.30	3.02	32.80	31.43	34.84	42.30	39.31	104	94	77	83
1086	GOODYEAR	MS	MICHIGAN CITY	IN	28000	30000	65.30	3.02	32.80	31.43	34.84	42.30	39.31	104	94	77	83
1097	GOODYEAR	MS	YOUNGSTOWN	OH	32000	30000	50.17	3.14	34.40	29.88	33.32	40.16	37.37	115	103	85	92
1097	GOODYEAR	MS	YOUNGSTOWN	OH	32000	30000	50.17	3.14	34.40	40.12	43.56	50.40	50.16	85	78	68	68
1267	GOODYEAR	MS	CHICAGO	IL	38000	30000	49.49	2.60	33.00	28.18	32.00	37.87	35.44	117	103	87	93
1267	GOODYEAR	MS	CHICAGO	IL	38000	30000	49.49	2.60	33.00	37.39	41.20	47.07	47.02	88	80	70	70
1701	ADEL	GA	WINSLOW	ME	36000	30000	41.48	2.30	39.20	47.20	53.71	64.06	59.64	83	72	61	65
1701	ADEL	GA	WINSLOW	ME	36000	30000	41.48	2.30	39.20	64.77	71.27	81.62	81.82	60	55	48	47

TABLE 12B

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
292	BREWTON	AL	BATON ROUGE	LA	50000	40000	72.60	2.90	8.48	9.46	10.68	11.60	11.08	89	79	73	70
361	GOODYEAR	MS	SHREVEPORT	LA	52000	50000	89.47	3.44	12.42	10.38	11.86	12.87	13.00	119	104	96	95
365	MAGNOLIA,MS	MS	MILAN,TN	TN	65200	60000	67.27	2.97	10.85	8.65	9.91	11.15	10.92	125	109	97	99
466	FERNWOOD	MS	CALVERT CITY	KY	47400	40000	65.67	3.01	14.04	10.19	11.69	13.36	12.86	137	120	105	106
476	BAINBRIDGE	GA	CANAL POINT	FL	42000	40000	59.92	2.85	13.58	12.05	13.68	15.65	15.21	112	99	86	89
662	SPRINGFIELD	SC	HEBRON	MD	46000	60000	78.85	2.63	17.40	16.78	19.15	20.48	20.97	103	90	84	82
662	SPRINGFIELD	SC	HEBRON	MD	46000	60000	78.85	2.63	17.40	13.09	15.47	16.80	16.36	132	112	103	106
700	MAGNOLIA	MS	CAMPBELLSVILLE	KY	48700	40000	59.38	2.44	17.07	13.13	15.31	17.38	16.58	129	111	98	102
709	FERNWOOD	MS	GAINESVILLE	FL	46300	40000	58.32	2.41	17.10	14.57	16.72	18.84	18.33	117	102	90	93
718	BAINBRIDGE	GA	LAKE CHARLES	LA	50000	50000	69.64	2.79	20.00	15.84	18.11	20.16	19.68	126	110	99	101
802	AVON PARK	FL	EDENTON	NC	42000	40000	50.12	2.39	19.14	16.21	18.63	21.74	20.46	118	102	88	93
832	MAGNOLIA	MS	DALLAS	TX	51300	50000	51.16	1.99	16.60	17.26	20.26	22.38	21.92	94	81	74	75
864	MERIDIAN	MS	WARRENTON	NC	49200	40000	51.79	2.11	18.19	20.63	23.20	25.66	26.04	88	78	70	69
1028	CHASE CITY	VA	DETROIT	MI	60000	60000	58.37	1.95	20.00	17.98	21.10	22.97	22.33	111	94	87	89
1037	MACON	GA	HOUSTON	TX	50000	50000	57.38	2.30	23.80	19.22	22.60	25.44	24.36	123	105	93	97
1230	MERIDIAN	MS	WEST NEWTON	PA	60000	60000	59.51	1.98	24.40	17.68	21.34	23.54	22.13	137	114	103	110
1230	MERIDIAN	MS	WEST NEWTON	PA	60000	60000	59.51	1.98	24.40	23.42	27.08	29.26	29.31	104	90	83	83
1390	MACON	GA	BELFAST	ME	44000	30000	56.24	2.47	39.20	36.06	42.19	48.89	45.75	108	92	80	85
1390	MACON	GA	BELFAST	ME	44000	30000	56.24	2.47	39.20	49.29	55.42	62.12	62.54	79	70	63	62
1787	CHASE CITY	VA	LAREDO	TX	60000	50000	56.58	1.89	33.70	22.24	27.05	29.95	27.91	151	124	112	120
1787	CHASE CITY	VA	LAREDO	TX	60000	50000	56.58	1.89	33.70	29.59	34.40	37.30	37.14	113	97	90	90

TABLE 12C

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
392	FERNWOOD	MS	MACON	GA	62000	60000	70.54	2.28	13.47	9.72	11.64	12.62	12.27	138	115	106	109
701	CAIRO	GA	MILAN	TN	61000	60000	58.86	1.93	13.53	10.90	13.08	14.29	13.76	124	103	94	98
785	FERNWOOD	MS	CHARLESTON	SC	63260	60000	65.85	2.08	16.34	16.71	19.10	20.31	21.09	97	85	80	77

TABLE [illegible]

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN SOUTHERN TERRITORY

STCC 24900: MISCELLANEOUS WOOD PRODUCTS

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
122	GULF	NC	LAURINBURG	NC	40000	50000	127.05	5.08	6.20	7.96	7.81	8.31	8.99	78	79	74	69
277	CHARLOTTE	NC	FULCO	GA	40000	60000	60.65	3.03	8.40	12.34	13.49	14.89	15.58	68	62	56	53
277	CHARLOTTE	NC	FULCO	GA	40000	40000	60.65	3.03	8.40	9.96	11.09	12.49	12.55	84	76	67	66

TABLE [illegible]

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
162	GUTHRIE	KY	STEVENSON	AL	49500	30000	123.46	4.99	8.08	6.27	6.99	7.48	7.65	128	116	106	101
536	BLEECKER	AL	WOODBINE	KY	54000	50000	76.57	2.84	15.20	11.49	13.26	14.56	14.50	132	114	104	104
723	MOBILE	AL	FRANKFORT	KY	52160	50000	63.47	2.43	17.60	12.77	14.90	16.64	16.11	137	118	105	109

TABLE [illegible]

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
363	LOUISVILLE	KY	KINGSPORT	TN	66100	50000	127.47	3.86	14.00	7.91	9.26	9.77	9.98	177	151	143	140
799	BROWNSBORO	AL	TAMPA	FL	66000	60000	61.20	1.85	14.82	11.14	13.53	14.62	14.03	133	109	101	105
799	BROWNSBORO	AL	TAMPA	FL	66000	60000	61.20	1.85	14.82	14.38	16.80	17.88	18.15	103	88	82	81
835	BLEECKER	AL	E ST. LOUIS	IL	62000	50000	75.76	2.44	20.40	12.36	14.75	16.05	15.57	165	138	127	130
878	GOODWATER	AL	NORFOLK	VA	62000	60000	53.87	1.74	15.26	11.48	13.99	15.36	14.49	132	109	99	105
878	GOODWATER	AL	NORFOLK	VA	62000	60000	53.87	1.74	15.26	15.03	17.55	18.92	18.98	101	86	80	80

TABLE [illegible]

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
282	JACKSON	TN	SHEFFIELD	AL	89700	50000	98.61	2.20	6.20	4.72	5.78	5.75	5.95	131	107	107	104
750	MOBILE	AL	FT JACKSON	SC	91400	90000	107.24	2.35	17.60	9.16	11.44	11.56	11.57	192	153	152	152

TABLE [illegible]

ORIGINATING IN WESTERN TERRITORY

STCC 24200: LUMBER & DIMENSION STOCK

ACTUAL WEIGHT GROUP: 20001 TO 40000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
995	NEW ORLEANS	LA	KANSAS CITY	MO	36000	36000	60.42	3.36	33.40	24.21	27.20	31.73	30.17	137	122	105	110

TABLE [illegible]

ACTUAL WEIGHT GROUP: 40001 TO 60000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
599	MOUNTAIN PINE	AR	COVINGTON	LA	50000	50000	64.27	2.57	15.41	12.10	14.06	15.66	15.19	127	109	98	101
1373	LEWISVILLE	AR	LAUREL	MD	50000	50000	50.98	2.04	28.00	24.53	28.47	32.13	30.86	114	98	87	90
1586	MOUNTAIN PINE	AR	NO WILMINGTON	MA	60000	60000	66.58	2.22	35.20	23.42	26.38	31.16	29.55	150	134	112	119

TABLE [illegible]

EARNINGS, RATES AND COSTS FOR SINGLE-CAR SHIPMENT

ORIGINATING IN WESTERN TERRITORY

STCC 24200: LUMBER & DIMENSION STOCK

ACTUAL WEIGHT GROUP: 60001 TO 80000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT CONSIGNMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
262	PINE BLUFF	AR	TUPELO	MS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
475	MOUNTAIN PINE	AR	JACKSON	MS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
676	MOUNTAIN PINE	AR	FARGO	ND	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
769	MOUNTAIN PINE	AR	LUBBOCK	TX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
861	ALEXANDRIA	LA	ST LOUIS	MO	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
995	KANSAS CITY	MO	NEW ORLEANS	LA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1766		ID		MS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1866		WA		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1904		MT		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1924		ID		IL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1926		MT		OH	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1953		OR		CO	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2043	ODELL	TX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2100		OR		IL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2227		ID		NC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2231		OR		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2343		ID		MS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2460		WA		AL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2463		OR		IN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2506		CA		IA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2578		ID		KY	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]		IL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2645		OR		OH	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2694		OR		OH	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2847		OR		TN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		OR		GA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		CA		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2931		CA		TX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3027		CA		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3171		WA		TN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3211		WA		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3225		ID		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3267		WA		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3279		WA		FL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		CA		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3461		OR		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3512		OR		LA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3563		CA		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TABLE [illegible]

ACTUAL WEIGHT GROUP: 90001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
296	DIERKS	AR	DALLAS	TX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
303	ODELL	TX	VICKSBURG	MS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
319	ALEXANDRIA	LA	DALLAS	TX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
326	WRIGHT CITY	OK	CLARKSVILLE	AR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
336	DIERKS	AR	[illegible]	OK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
383	DIERKS	AR	BATON ROUGE	LA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
402	WRIGHT CITY	OK	HOUSTON	TX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
413	WRIGHT CITY	OK	HURST	TX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
415	MOUNTAIN PINE	AR	[illegible]	MO	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
419	PINE BLUFF	AR	NASHVILLE	TN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
440	MOUNTAIN PINE	AR	OLD HICKORY	TN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
444	MOUNTAIN PINE	AR	BIRMINGHAM	AL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
482	WRIGHT CITY	OK	[illegible]	TX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
483	WRIGHT CITY	OK	[illegible]	MO	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	SILSBEE	TX	SAN ANTONIO	TX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
533	MOUNTAIN PINE	AR	HALEYVILLE	AL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
552	[illegible]	LA	KILLEEN	TX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
620	DIERKS	AR	HALEYVILLE	AL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
698	[illegible]	AR	INDIANAPOLIS	IN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
704	PINE BLUFF	AR	FT WAYNE	IN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
834	WRIGHT CITY	OK	LEXINGTON	KY	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
867	ALEXANDRIA	LA	VICTOR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
873	DIERKS	AR	ST LOUIS	MO	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1034	DIERKS	AR	GOSHEN	IN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1163	DIERKS	AR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1226	ZWOLLE	LA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1437		[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1473		[illegible]		CO	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1633		WA		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2121	DANVILLE	LA	SILVER SPRINGS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	LOS ANGELES	CA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TABLE 1276

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 24200: LUMBER & DIMENSION STOCK

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9).	FULLY ALLOCATED COST PER NET TON (DOLLARS)			% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS		
											TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)		TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
245	WRIGHT CITY	OK	FORT WORTH	TX	100400	50000	143.31	2.85	6.99	4.78	5.90	5.67	5.96	146	118	123	117
271	CROSSETT	AR	MEMPHIS	TN	114600	50000	156.38	2.73	7.40	4.14	5.32	4.97	5.16	178	139	148	143
309	SILSBEE	TX	NEW ORLEANS	LA	111760	50000	157.34	2.82	8.70	5.23	6.69	6.25	6.60	166	129	139	131
353	JOYCE	LA	MEMPHIS	TN	101020	50000	132.75	2.63	9.28	5.41	6.75	6.56	6.79	171	137	141	136
380	ELDORADO	AR	CORINTH	MS	113200	50000	127.87	2.26	8.59	5.21	6.61	6.27	6.57	164	129	136	131
384	PINE BLUFF	AR	STLOUIS	MO	109000	50000	155.73	2.86	10.97	5.64	7.10	6.76	7.02	194	154	162	156
404	LEOLA	AR	BRIDGETON	MO	103200	60000	136.69	2.65	10.70	6.07	7.58	7.30	7.56	176	141	146	141
404	LEOLA	AR	BARRETTS	MO	119800	50000	149.84	2.50	10.11	5.39	6.91	6.46	6.72	187	146	156	150
418	ELDORADDO	AR	DUMONT	TX	111700	50000	132.01	2.36	9.88	5.81	7.36	6.98	7.24	170	134	141	136
437	MOUNTAIN PINE	AR	OFALLONS	MO	102760	50000	142.56	2.77	12.12	6.68	8.31	8.02	8.30	181	145	151	146
446	MOUNTAIN PINE	AR	PORT ARTHUR	TX	118060	50000	145.37	2.46	11.03	6.10	7.94	7.36	7.71	180	138	149	143
457	DIERKS	AR	TULSA	OK	104700	50000	93.03	1.78	8.03	6.41	8.04	7.74	7.98	125	99	103	100
456	ALEXANDRIA	LA	TEMPLE	TX	114500	50000	132.87	2.32	10.58	6.01	7.65	7.23	7.49	176	138	146	141
463	DIERKS	AR	KANSAS CITY	MO	106200	50000	138.04	2.60	12.04	6.43	8.09	7.77	8.02	187	148	154	150
518	WRIGHT CITY	OK	TEMPLE	TX	111600	50000	91.59	1.64	8.50	6.64	8.44	8.04	8.28	127	100	105	102
528	DIERKS	AR	E ST LOUIS	IL	101500	60000	135.89	2.68	14.14	7.25	9.07	8.80	9.03	195	155	160	156
548	PINE BLUFF	AR	KANSAS CITY	MO	109200	50000	135.27	2.48	13.56	7.00	8.88	8.49	8.73	193	152	159	155
548	PINE BLUFF	AR	KANSAS CITY	MO	114500	50000	140.20	2.45	13.42	6.75	8.63	8.17	8.42	198	155	164	159
586	DIERKS	AR	GARNETT	KA	101000	50000	98.00	1.94	11.37	7.79	9.76	9.49	9.71	146	116	119	117
611	LEOLA	AR	KNOXVILLE	TN	112900	50000	112.11	1.99	12.13	6.98	8.97	8.60	8.77	173	135	141	138
712	ELDORADO	AR	ATLANTA	GA	113900	50000	111.59	1.96	13.95	7.75	10.00	9.57	9.73	180	139	145	143
722	WRIGHT CITY	OK	DODSON	MO	105040	50000	92.87	1.77	12.77	8.72	11.03	10.67	10.87	146	115	119	117
866	CROSETT	AR	LUBBOCK	TX	109700	50000	113.15	2.06	17.86	9.94	12.91	12.26	12.56	179	138	145	142
944	CROSSETT	AR	SOUTH LEE	MO	113100	50000	90.29	1.60	15.07	9.16	12.02	11.44	11.62	164	125	131	132
1023	MOUNTAIN PINE	AR	OCALA	FL	107900	50000	101.92	1.89	19.33	9.65	12.69	12.31	12.12	200	152	157	159
1026	ELDORADO	AR	NEWPORT	KY	108300	50000	85.10	1.57	16.12	10.67	13.71	13.30	13.39	151	117	121	120
1050	WRIGHT CITY	OK	ATLANTA	GA	116740	50000	89.88	1.54	16.17	10.30	13.39	12.79	12.91	157	120	126	125
1127	ALEXANDRIA	LA	DANVILLE	VA	116100	50000	104.61	1.80	20.31	9.93	13.23	12.61	12.46	204	153	160	162
1313	DIERKS	AR	RAVENNA	OH	102900	60000	83.85	1.63	21.40	15.27	19.39	19.04	18.97	140	110	112	112
1936	WARREN	AR	LOGAN	OH	103600	60000	51.46	0.99	19.23	20.07	26.13	25.61	24.79	95	73	75	77

TABLE 1277

ACTUAL WEIGHT GROUP: 120001 TO 140000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
343	DANVILLE	LA	ALGIERS	LA	132640	50000	149.48	2.25	7.73	4.54	5.90	5.39	5.68	170	131	143	136
502	HOPE	LA	WRIGHT CITY	MO	134500	50000	169.89	2.53	12.68	5.43	7.23	6.58	6.74	233	175	192	188
559	ELDORADO	AR	ATKINSON	KY	122800	50000	132.36	2.16	12.05	6.19	8.05	7.56	7.77	194	149	159	155
621	ZWOLLE	AR	BRIDGETON	MO	133700	60000	157.28	2.35	14.61	6.55	8.60	7.89	8.16	223	169	185	179
875	WRIGHT CITY	OK	PHILIDELPHIA	MS	132700	50000	86.33	1.30	11.39	8.14	10.80	10.00	10.21	139	105	113	111
1073	LEOLA	AR	GRAND RAPIDS	MI	125400	60000	102.45	1.63	17.53	11.68	15.21	14.28	14.44	150	115	122	121
1289	ALEXANDRIA	LA	BASSETT	VA	138400	50000	102.94	1.49	19.17	11.48	15.36	14.12	14.33	167	124	135	133
1487	OLA	AR	WALLED LAKE	MI	121600	60000	79.10	1.30	19.36	15.35	20.05	19.01	19.04	125	96	101	101

TABLE 1278

ACTUAL WEIGHT GROUP: 140001 TO 160000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
484	URBANA	AR	OASIS	TX	155100	50000	135.92	1.75	8.48	4.97	6.69	5.92	6.20	170	126	143	136

TABLE 1279

ACTUAL WEIGHT GROUP: 160001 TO 180000 POUNDS

(1)	(2)		(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1664	URBANA	AR	COLUMBUS	OH	166400	60000	86.70	1.04	17.34	13.46	18.54	16.33	16.70	128	93	106	103

TABLE 18A

EARNINGS, RATES AND COSTS FOR SINGLE-CAR MOVEMENT

ORIGINATING IN WESTERN TERRITORY

STCC 24300: MILLWORK, VENEER, PLYWOOD & WOOD PRODUCTS

ACTUAL WEIGHT GROUP: 80001 TO 100000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
830	WRIGHT CITY	OK	INDIANAPOLIS	IN	98600	60000	114.91	2.33	19.35	10.09	12.80	12.57	12.59	191	151	153	154
931	PIERKS	AR	INDIANAPOLIS	IN	96900	60000	98.88	2.04	19.00	11.31	14.35	14.16	14.08	168	132	134	135
1126	PLAIN DEALING	LA	LINWOOD	OR	96300	60000	94.85	1.97	22.18	13.10	16.67	16.31	16.23	169	133	136	136
1574	CROSSETT	AR	GRAND RAPIDS	MI	92700	60000	63.85	1.36	21.68	17.43	22.16	22.19	21.61	126	97	97	100
1922	CROSSETT	AR	BUFFALO	NY	85740	60000	59.55	1.34	26.70	22.76	26.04	28.61	27.56	119	95	93	96
2572	PORTLAND	OR	MEMPHIS	TN	100000	70000	80.48	1.61	41.40	23.49	31.10	30.32	29.75	176	133	136	139

TABLE 18B

ACTUAL WEIGHT GROUP: 100001 TO 120000 POUNDS

DISTANCE ACTUAL MILES (1)	ORIGIN (2)		DESTINATION (3)		AVERAGE ACTUAL WEIGHT PER CAR (POUNDS) (4)	MINIMUM WEIGHT REQUIREMENT (POUNDS) (5)	REVENUE PER CAR-MILE (CENTS) (6)	REVENUE PER TON-MILE (CENTS) (7)	RATE PER NET-TON (DOLLARS) (8)	VARIABLE COST PER NET TON (DOLLARS) (9)	FULLY ALLOCATED COST PER NET TON (DOLLARS) TON AND TON-MILE (10)	CAR AND CAR-MILE (11)	DOLLAR BASIS (12)	% RATE TO VARIABLE COSTS (13)	% OF RATE TO FULLY ALLOCATED COSTS TON AND TON-MILE (14)	CAR AND CAR-MILE (15)	DOLLAR BASIS (16)
880	CROSSETT	AR	INDIANAPOLIS	IN	110000	60000	102.72	1.87	16.45	9.92	12.83	12.32	12.29	165	128	133	133
946	CROSSETT	AR	GRAND RAPIDS	MI	115200	60000	124.80	2.17	20.50	10.17	13.28	12.63	12.59	201	154	162	162
1005	CROSSETT	AR	TOLEDO	OH	108700	60000	110.15	2.03	20.37	10.63	14.02	13.51	13.44	167	145	156	151
1021	CROSSETT	AR	AKRON	OH	105400	60000	113.41	2.15	21.95	11.33	14.60	14.16	14.04	193	150	154	156
1304	WRIGHT CITY	OK	YPSILANTI	MI	101300	60000	89.53	1.77	23.06	14.33	18.43	16.09	17.74	161	125	127	130
1504	HUNT	LA	INDIANAPOLIS	IN	110660	60000	67.52	1.22	18.35	15.16	19.63	19.10	19.76	121	93	96	93
1523	HUNT	LA	WANATAH	IN	106740	60000	70.52	1.32	20.12	15.18	19.73	19.14	18.42	132	102	105	104
1526	CROSSETT	AR	GRAND RAPIDS	MI	110880	60000	72.85	1.31	20.66	15.33	20.07	19.31	19.09	134	103	107	108
1576	CROSSETT	AR	GRAND RAPIDS	MI	111900	60000	73.37	1.31	20.64	15.26	19.97	19.18	18.99	135	103	107	109
1615	CROSSETT	AR	TOLEDO	OH	102840	60000	65.77	1.28	20.65	16.73	21.64	21.19	20.72	123	95	97	99
1690	SILSBEE	TX	E DETROIT	MI	103900	60000	78.00	1.50	25.35	17.51	22.76	22.19	21.75	144	111	114	116
1722	CROSSETT	AR	CLEVELAND	OH	111900	60000	63.92	1.14	19.67	16.57	21.75	20.91	20.53	118	90	94	95

APPENDIX B

TABLE 129

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES AND BY TYPE OF SHIPMENT

ALL STCC'S FOR LUMBER

	TOTAL U.S. (2)	OFFICIAL (3)	SOUTHERN (4)	WESTERN (5)
TOTAL MOVEMENTS				
SINGLE-CAR	410	54	221	135
MULTIPLE CAR	0	0	0	0
TRAINLOAD	0	0	0	0
TOTAL	410	54	221	135

	TOTAL U.S. NUMBER (A)	TOTAL U.S. PERCENT (B)	OFFICIAL NUMBER (A)	OFFICIAL PERCENT (B)	SOUTHERN NUMBER (A)	SOUTHERN PERCENT (B)	WESTERN NUMBER (A)	WESTERN PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	51	12	11	20	34	15	6	4
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	51	12	11	20	34	15	6	4
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	114	28	23	43	63	29	28	21
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	114	28	23	43	63	29	28	21
CAR & CAR-MILE BASIS								
SINGLE-CAR	135	33	24	44	81	37	30	22
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	135	33	24	44	81	37	30	22
DOLLAR BASIS								
SINGLE-CAR	128	31	25	46	78	35	25	19
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	128	31	25	46	78	35	25	19

TABLE 130

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR LUMBER
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

		RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	37	94	113	112
95 - 99	14	20	22	16
100 - 109	20	55	47	52
110 - 119	32	49	36	44
120 - 129	42	47	44	37
130 - 139	30	57	34	41
140 - 149	39	31	40	39
150 - 159	31	30	30	31
160 - 169	32	10	22	17
170 - 179	37	10	12	11
180 - 229	89	7	9	10
230 & OVER	7	0	1	0
TOTAL:	410	410	410	410
	---	---	---	---
SIMPLE AVERAGE RATIO	146	117	117	117

TABLE 131

LOWEST, HIGHEST AND SIMPLE AVERAGE RATIO OF RATE-TO-VARIABLE COST BY COMMODITY, ORIGINATING TERRITORY, TYPE OF SHIPMENT AND CORRESPONDING ACTUAL MILES

ALL STCC'S FOR LUMBER

ORIGINATING TERRITORY	RATIO RANGE OF RATE TO VARIABLE COST BY TYPE OF SHIPMENT			DISTANCE - ACTUAL MILES TYPE OF SHIPMENT		
	SINGLE CAR	MULTIPLE CAR	TRAINLOAD	SINGLE CAR	MULTIPLE CAR	TRAINLOAD
OFFICIAL						
LOWEST	46%	0%	0%	215	0	0
HIGHEST	245%	0%	0%	875	0	0
SIMPLE AVERAGE ALL MOVEMENTS	133%	0%	0%	491	0	0
SOUTHERN						
LOWEST	60%	0%	0%	1701	0	0
HIGHEST	295%	0%	0%	1157	0	0
SIMPLE AVERAGE ALL MOVEMENTS	145%	0%	0%	729	0	0
WESTERN						
LOWEST	82%	0%	0%	3512	0	0
HIGHEST	243%	0%	0%	1748	0	0
SIMPLE AVERAGE ALL MOVEMENTS	153%	0%	0%	1353	0	0
TOTAL SIMPLE AVERAGE OF ALL MOVEMENTS FOR ALL REGIONS	146%	0%	0%	903	0	0

TABLE 132

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC"S FOR LUMBER
OFFICIAL TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	8	18	22	22
95 - 99	3	5	2	3
100 - 109	5	7	5	5
110 - 119	7	5	5	6
120 - 129	4	3	5	2
130 - 139	3	6	3	2
140 - 149	6	4	3	6
150 - 159	2	3	4	3
160 - 169	2	1	2	2
170 - 179	5	1	2	2
180 - 229	8	1	1	1
230 & OVER	1	0	0	0
TOTAL:	54	54	54	54
	---	---	---	---
SIMPLE AVERAGE RATIO	134	107	109	108

TABLE 133

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC"S FOR LUMBER
SOUTHERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	25	55	70	70
95 - 99	9	8	11	8
100 - 109	18	31	24	26
110 - 119	16	28	16	20
120 - 129	21	21	23	21
130 - 139	17	31	14	18
140 - 149	18	14	20	19
150 - 159	14	13	14	13
160 - 169	19	8	14	12
170 - 179	14	8	8	8
180 - 229	47	4	6	6
230 & OVER	3	0	1	0
TOTAL:	221	221	221	221
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SIMPLE AVERAGE RATIO	145	117	116	115

TABLE 134

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC"S FOR LUMBER
WESTERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	4	21	21	20
95 - 99	2	7	9	5
100 - 109	6	17	18	21
110 - 119	9	16	15	18
120 - 129	17	23	16	14
130 - 139	10	20	17	21
140 - 149	15	13	17	14
150 - 159	15	14	12	15
160 - 169	11	1	6	3
170 - 179	18	1	2	1
180 - 229	25	2	2	3
230 & OVER	3	0	0	0
TOTAL:	135	135	135	135
	---	---	---	---
SIMPLE AVERAGE RATIO	153	122	122	122

TABLE 135

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES
BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES
AND BY TYPE OF SHIPMENT

SICC 24000: LUMBER & LUMBER PRODUCTS(UNSPECIFIED)

	TOTAL U.S. (2)		OFFICIAL (3)		SOUTHERN (4)		WESTERN (5)	
TOTAL MOVEMENTS								
SINGLE-CAR	33		33		0		0	
MULTIPLE CAR	0		0		0		0	
TRAINLOAD	0		0		0		0	
TOTAL	33		33		0		0	
	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	1	3	1	3	0	0	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	1	3	1	3	0	0	0	0
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	10	30	10	30	0	0	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	10	30	10	30	0	0	0	0
CAR & CAR-MILE BASIS								
SINGLE-CAR	11	33	11	33	0	0	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	11	33	11	33	0	0	0	0
DOLLAR BASIS								
SINGLE-CAR	11	33	11	33	0	0	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	11	33	11	33	0	0	0	0

TABLE 136

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 24000: LUMBER & LUMBER PRODUCTS(UNSPECIFIED)
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	6	9	9
95 - 99	1	4	2	2
100 - 109	3	4	2	3
110 - 119	5	5	5	6
120 - 129	3	3	5	2
130 - 139	2	5	2	2
140 - 149	6	4	3	5
150 - 159	2	2	3	2
160 - 169	2	0	1	1
170 - 179	4	0	1	1
180 - 229	5	0	0	0
230 & OVER	0	0	0	0
TOTAL:	33	33	33	33
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SIMPLE AVERAGE RATIO	146	115	118	116

TABLE 137

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES
BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES
AND BY TYPE OF SHIPMENT

STCC 24100: PRIMARY FOREST PRODUCTS

	TOTAL U.S.		OFFICIAL		SOUTHERN		WESTERN	
	(2)		(3)		(4)		(5)	
TOTAL MOVEMENTS								
SINGLE-CAR	13		1		12		0	
MULTIPLE CAR	0		0		0		0	
TRAINLOAD	0		0		0		0	
TOTAL	13		1		12		0	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	1	8	0	0	1	8	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	1	8	0	0	1	8	0	0
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	4	31	0	0	4	33	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	4	31	0	0	4	33	0	0
CAR & CAR-MILE BASIS								
SINGLE-CAR	5	38	0	0	5	42	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	5	38	0	0	5	42	0	0
DOLLAR BASIS								
SINGLE-CAR	5	38	0	0	5	42	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	5	38	0	0	5	42	0	0

TABLE 138

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 24100: PRIMARY FOREST PRODUCTS
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO-FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	1	3	4	5
95 - 99	0	1	1	0
100 - 109	1	1	0	0
110 - 119	3	1	3	2
120 - 129	0	2	0	2
130 - 139	0	3	3	2
140 - 149	2	0	0	0
150 - 159	1	1	0	1
160 - 169	3	0	1	1
170 - 179	0	1	1	0
180 - 229	2	0	0	0
230 & OVER	0	0	0	0
TOTAL:	13	13	13	13
	---	---	---	---
SIMPLE AVERAGE RATIO	143	119	117	113

TABLE 139

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES
BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES
AND BY TYPE OF SHIPMENT

STCC 24200: LUMBER & DIMENSION STOCK

	TOTAL U.S. (2)	OFFICIAL (3)	SOUTHERN (4)	WESTERN (5)
TOTAL MOVEMENTS				
SINGLE-CAR	254	20	117	117
MULTIPLE CAR	0	0	0	0
TRAINLOAD	0	0	0	0
TOTAL	254	20	117	117

	TOTAL U.S. NUMBER (A)	TOTAL U.S. PERCENT (B)	OFFICIAL NUMBER (A)	OFFICIAL PERCENT (B)	SOUTHERN NUMBER (A)	SOUTHERN PERCENT (B)	WESTERN NUMBER (A)	WESTERN PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	22	9	10	50	6	5	6	5
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	22	9	10	50	6	5	6	5
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	51	20	13	65	15	13	23	20
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	51	20	13	65	15	13	23	20
CAR & CAR-MILE BASIS								
SINGLE-CAR	57	22	13	65	19	16	25	21
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	57	22	13	65	19	16	25	21
DOLLAR BASIS								
SINGLE-CAR	53	21	14	70	18	15	21	18
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	53	21	14	70	18	15	21	18

TABLE 140

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 24200: LUMBER & DIMENSION STOCK
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	15	41	48	48
95 - 99	7	10	9	5
100 - 109	13	29	26	29
110 - 119	13	29	24	31
120 - 129	22	35	32	28
130 - 139	14	44	25	30
140 - 149	28	24	34	31
150 - 159	24	22	21	24
160 - 169	20	7	18	12
170 - 179	30	6	8	7
180 - 229	61	7	8	9
230 & OVER	7	0	1	0
TOTAL:	254	254	254	254
	---	---	---	---
SIMPLE AVERAGE RATIO	155	123	125	124

TABLE 141

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 24200: LUMBER & DIMENSION STOCK
OFFICIAL TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	8	12	13	13
95 - 99	2	1	0	1
100 - 109	2	3	3	2
110 - 119	2	0	0	0
120 - 129	1	0	0	0
130 - 139	1	1	1	0
140 - 149	0	0	0	1
150 - 159	0	0	1	0
160 - 169	0	1	0	1
170 - 179	1	1	1	1
180 - 229	2	1	1	1
230 & OVER	1	0	0	0
TOTAL:	20	20	20	20
	---	---	---	---
SIMPLE AVERAGE RATIO	111	92	90	90

TABLE 142

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 24200: LUMBER & DIMENSION STOCK
SOUTHERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	3	12	16	16
95 - 99	3	3	3	2
100 - 109	5	12	8	10
110 - 119	4	14	10	14
120 - 129	7	14	17	14
130 - 139	6	26	11	14
140 - 149	14	12	17	16
150 - 159	9	11	11	12
160 - 169	13	5	13	9
170 - 179	12	4	5	5
180 - 229	38	4	5	5
230 & OVER	3	0	1	0
TOTAL:	117	117	117	117
SIMPLE AVERAGE RATIO	164	129	132	131

TABLE 143

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 24200: LUMBER & DIMENSION STOCK
WESTERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	4	17	19	19
95 - 99	2	6	6	2
100 - 109	6	14	15	17
110 - 119	7	15	14	17
120 - 129	14	21	15	14
130 - 139	7	17	13	16
140 - 149	14	12	17	14
150 - 159	15	11	9	12
160 - 169	7	1	5	2
170 - 179	17	1	2	1
180 - 229	21	2	2	3
230 & OVER	3	0	0	0
TOTAL:	117	117	117	117
	---	---	---	---
SIMPLE AVERAGE RATIO	153	122	122	122

[illegible]

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 24200: LUMBER & DIMENSION STOCK

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	4	20	0	0	0	0	83	0	0
40000- 60000	2	10	0	0	0	0	62	0	0
60000- 80000	4	20	0	0	0	0	109	0	0
80000-100000	7	35	0	0	0	0	112	0	0
100000-120000	2	10	0	0	0	0	210	0	0
120000-140000	1	5	0	0	0	0	125	0	0
140000-160000	0	0	0	0	0	0	0	0	0
160000-180000	0	0	0	0	0	0	0	0	0
180000-200000	0	0	0	0	0	0	0	0	0
TOTAL	20	100	0	0	0	0	111	0	0

TABLE 144B

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 24200: LUMBER & DIMENSION STOCK

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	1	1	0	0	0	0	91	0	0
40000- 60000	11	9	0	0	0	0	126	0	0
60000- 80000	15	13	0	0	0	0	143	0	0
80000-100000	27	23	0	0	0	0	154	0	0
100000-120000	23	20	0	0	0	0	176	0	0
120000-140000	25	21	0	0	0	0	175	0	0
140000-160000	11	9	0	0	0	0	185	0	0
160000-180000	3	3	0	0	0	0	230	0	0
180000-200000	1	1	0	0	0	0	227	0	0
TOTAL	117	100	0	0	0	0	164	0	0

Table [illegible]

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 24200: LUMBER & DIMENSION STOCK

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	1	1	0	0	0	0	137	0	0
40000- 60000	3	3	0	0	0	0	130	0	0
60000- 80000	39	33	0	0	0	0	136	0	0
80000-100000	34	29	0	0	0	0	157	0	0
100000-120000	30	26	0	0	0	0	168	0	0
120000-140000	8	7	0	0	0	0	175	0	0
140000-160000	1	1	0	0	0	0	170	0	0
160000-180000	1	1	0	0	0	0	128	0	0
180000-200000	0	0	0	0	0	0	0	0	0
TOTAL	117	100	0	0	0	0	153	0	0

TABLE 145A

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 24200: LUMBER & DIMENSION STOCK

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	1	5	0	0	0	0	119	0	0
201 - 300	2	10	0	0	0	0	71	0	0
301 - 400	6	30	0	0	0	0	73	0	0
401 - 500	2	10	0	0	0	0	88	0	0
501 - 750	4	20	0	0	0	0	155	0	0
751 - 1000	5	25	0	0	0	0	145	0	0
1001 - 1500	0	0	0	0	0	0	0	0	0
1501 - 2000	0	0	0	0	0	0	0	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	20	100	0	0	0	0	111	0	0

TABLE 145B

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 24200: LUMBER & DIMENSION STOCK

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	1	1	0	0	0	0	157	0	0
101 - 200	10	9	0	0	0	0	145	0	0
201 - 300	6	5	0	0	0	0	148	0	0
301 - 400	12	10	0	0	0	0	170	0	0
401 - 500	7	6	0	0	0	0	146	0	0
501 - 750	34	29	0	0	0	0	161	0	0
751 - 1000	24	21	0	0	0	0	176	0	0
1001 - 1500	20	17	0	0	0	0	168	0	0
1501 - 2000	3	3	0	0	0	0	180	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	117	100	0	0	0	0	164	0	0

TABLE 145C

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE) BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 24200: LUMBER & DIMENSION STOCK

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	0	0	0	0	0	0	0	0	0
201 - 300	4	3	0	0	0	0	152	0	0
301 - 400	10	9	0	0	0	0	159	0	0
401 - 500	18	15	0	0	0	0	165	0	0
501 - 750	18	15	0	0	0	0	165	0	0
751 - 1000	11	9	0	0	0	0	155	0	0
1001 - 1500	14	12	0	0	0	0	160	0	0
1501 - 2000	11	9	0	0	0	0	172	0	0
2001 - 2500	10	9	0	0	0	0	141	0	0
2501 - 3000	9	8	0	0	0	0	130	0	0
3001 - 3500	8	7	0	0	0	0	119	0	0
3500 & OVER	4	3	0	0	0	0	97	0	0
TOTAL	117	100	0	0	0	0	153	0	0

TABLE 146

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES
BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES
AND BY TYPE OF SHIPMENT

STCC 24300: MILLWORK, VENEER, PLYWOOD & WOOD PRODUCTS

	TOTAL U.S. (2)	OFFICIAL (3)	SOUTHERN (4)	WESTERN (5)
TOTAL MOVEMENTS				
SINGLE-CAR	53	0	35	18
MULTIPLE CAR	0	0	0	0
TRAINLOAD	0	0	0	0
TOTAL	53	0	35	18

	TOTAL U.S. NUMBER (A)	TOTAL U.S. PERCENT (B)	OFFICIAL NUMBER (A)	OFFICIAL PERCENT (B)	SOUTHERN NUMBER (A)	SOUTHERN PERCENT (B)	WESTERN NUMBER (A)	WESTERN PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	6	11	0	0	6	17	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	6	11	0	0	6	17	0	0
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	17	32	0	0	12	34	5	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	17	32	0	0	12	34	5	0
CAR & CAR-MILE BASIS								
SINGLE-CAR	18	34	0	0	13	37	5	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	18	34	0	0	13	37	5	0
DOLLAR BASIS								
SINGLE-CAR	19	36	0	0	15	43	4	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	19	36	0	0	15	43	4	0

TABLE 147

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 24300: MILLWORK, VENEER, PLYWOOD & WOOD PRODUCTS
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	5	15	14	13
95 - 99	1	2	4	6
100 - 109	4	10	10	8
110 - 119	3	5	3	4
120 - 129	10	5	6	4
130 - 139	5	4	4	6
140 - 149	3	3	2	2
150 - 159	3	3	5	3
160 - 169	6	3	2	3
170 - 179	2	3	2	3
180 - 229	11	0	1	1
230 & OVER	0	0	0	0
TOTAL:	53	53	53	53
	---	---	---	---
SIMPLE AVERAGE RATIO	145	115	115	116

TABLE 148

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 24300: MILLWORK, VENEER, PLYWOOD & WOOD PRODUCTS
SOUTHERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	5	11	12	12
95 - 99	1	1	1	3
100 - 109	4	7	7	4
110 - 119	1	4	2	3
120 - 129	7	3	5	4
130 - 139	2	1	0	1
140 - 149	2	2	2	2
150 - 159	3	0	2	0
160 - 169	2	3	1	2
170 - 179	1	3	2	3
180 - 229	7	0	1	1
230 & OVER	0	0	0	0
TOTAL:	35	35	35	35
	---	---	---	---
SIMPLE AVERAGE RATIO	141	113	112	111

TABLE 149

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 24300: MILLWORK, VENEER, PLYWOOD & WOOD PRODUCTS
WESTERN TERRITORY
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO-FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	4	2	1
95 - 99	0	1	3	3
100 - 109	0	3	3	4
110 - 119	2	1	1	1
120 - 129	3	2	1	0
130 - 139	3	3	4	5
140 - 149	1	1	0	0
150 - 159	0	3	3	3
160 - 169	4	0	1	1
170 - 179	1	0	0	0
180 - 229	4	0	0	0
230 & OVER	0	0	0	0
TOTAL:	18	18	18	18
	---	---	---	---
SIMPLE AVERAGE RATIO	153	119	122	123

TABLE 150A

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 24300: MILLWORK, VENEER, PLYWOOD & WOOD PRODUCTS

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP*	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	0	0	0	0	0	0	0	0	0
40000- 60000	0	0	0	0	0	0	0	0	0
60000- 80000	0	0	0	0	0	0	0	0	0
80000-100000	6	33	0	0	0	0	157	0	0
100000-120000	12	67	0	0	0	0	151	0	0
TOTAL	18	100	0	0	0	0	153	0	0

TABLE 150B

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 24300: MILLWORK, VENEER, PLYWOOD & WOOD PRODUCTS

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	2	6	0	0	0	0	93	0	0
40000- 60000	3	9	0	0	0	0	122	0	0
60000- 80000	3	9	0	0	0	0	136	0	0
80000-100000	15	43	0	0	0	0	138	0	0
100000-120000	12	34	0	0	0	0	152	0	0
TOTAL	35	100	0	0	0	0	140	0	0

TABLE 151A

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 24300: MILLWORK, VENEER, PLYWOOD & WOOD PRODUCTS

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	1	3	0	0	0	0	124	0	0
201 - 300	1	3	0	0	0	0	109	0	0
301 - 400	3	9	0	0	0	0	131	0	0
401 - 500	2	6	0	0	0	0	88	0	0
501 - 750	7	20	0	0	0	0	135	0	0
751 - 1000	13	37	0	0	0	0	133	0	0
1001 - 1500	7	20	0	0	0	0	188	0	0
1501 - 2000	1	3	0	0	0	0	121	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	35	100	0	0	0	0	140	0	0

TABLE 451B

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 24300: MILLWORK, VENEER, PLYWOOD & WOOD PRODUCTS

ORIGINATING TERRITORY: WESTERN

MILEAGE BLOCK	NUMBER AND PERCENT OF SHIPMENTS: SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	RATIO OF RATE-TO-VARIABLE COST: SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	0	0	0	0	0	0	0	0	0
201 - 300	0	0	0	0	0	0	0	0	0
301 - 400	0	0	0	0	0	0	0	0	0
401 - 500	0	0	0	0	0	0	0	0	0
501 - 750	0	0	0	0	0	0	0	0	0
751 - 1000	4	22	0	0	0	0	181	0	0
1001 - 1500	4	22	0	0	0	0	177	0	0
1501 - 2000	9	50	0	0	0	0	127	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	1	6	0	0	0	0	176	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	18	100	0	0	0	0	153	0	0

TABLE 152

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES AND BY TYPE OF SHIPMENT

STCC 24400: WOOD CONTAINERS

	TOTAL U.S. (2)	OFFICIAL (3)	SOUTHERN (4)	WESTERN (5)
TOTAL MOVEMENTS				
SINGLE-CAR	43	0	43	0
MULTIPLE CAR	0	0	0	0
TRAINLOAD	0	0	0	0
TOTAL	43	0	43	0

	TOTAL U.S. NUMBER (A)	TOTAL U.S. PERCENT (B)	OFFICIAL NUMBER (A)	OFFICIAL PERCENT (B)	SOUTHERN NUMBER (A)	SOUTHERN PERCENT (B)	WESTERN NUMBER (A)	WESTERN PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	18	42	0	0	18	42	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	18	42	0	0	18	42	0	0
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	27	63	0	0	27	63	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	27	63	0	0	27	63	0	0
CAR & CAR-MILE BASIS								
SINGLE-CAR	38	88	0	0	38	88	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	38	88	0	0	38	88	0	0
DOLLAR BASIS								
SINGLE-CAR	35	81	0	0	35	81	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	35	81	0	0	35	81	0	0

TABLE 153

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 24400: WOOD CONTAINERS
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	13	24	33	32
95 - 99	5	3	5	3
100 - 109	6	8	4	6
110 - 119	8	6	1	1
120 - 129	6	2	0	1
130 - 139	4	0	0	0
140 - 149	0	0	0	0
150 - 159	1	0	0	0
160 - 169	0	0	0	0
170 - 179	0	0	0	0
180 - 229	0	0	0	0
230 & OVER	0	0	0	0
TOTAL:	43	43	43	43
	---	---	---	---
SIMPLE AVERAGE RATIO	105	92	82	83

TABLE 154

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 24400: WOOD CONTAINERS

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	19	44	0	0	0	0	92	0	0
40000- 60000	21	49	0	0	0	0	115	0	0
60000- 80000	3	7	0	0	0	0	119	0	0
TOTAL	43	100	0	0	0	0	105	0	0

TABLE 155

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 24400: WOOD CONTAINERS

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	0	0	0	0	0	0	0	0	0
201 - 300	2	5	0	0	0	0	88	0	0
301 - 400	6	11	0	0	0	0	98	0	0
401 - 500	2	5	0	0	0	0	124	0	0
501 - 750	9	21	0	0	0	0	121	0	0
751 - 1000	8	19	0	0	0	0	91	0	0
1001 - 1500	10	23	0	0	0	0	108	0	0
1501 - 2000	6	11	0	0	0	0	99	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	43	100	0	0	0	0	105	0	0

TABLE 156

NUMBER AND PERCENT OF MOVEMENTS HAVING REVENUES
BELOW VARIABLE AND FULLY ALLOCATED COSTS, BY ORIGIN TERRITORIES
AND BY TYPE OF SHIPMENT

STCC 24900: MISCELLANEOUS WOOD PRODUCTS

	TOTAL U.S. (2)		OFFICIAL (3)		SOUTHERN (4)		WESTERN (5)	
TOTAL MOVEMENTS								
SINGLE-CAR	14		0		14		0	
MULTIPLE CAR	0		0		0		0	
TRAINLOAD	0		0		0		0	
TOTAL	14		0		14		0	
	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)	NUMBER (A)	PERCENT (B)
MOVEMENTS WITH REVENUE BELOW VARIABLE COSTS								
SINGLE-CAR	3	21	0	0	3	21	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	3	21	0	0	3	21	0	0
MOVEMENTS WITH REVENUE BELOW FULLY ALLOCATED COSTS								
TON & TON-MILE BASIS								
SINGLE-CAR	5	36	0	0	5	36	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	5	36	0	0	5	36	0	0
CAR & CAR-MILE BASIS								
SINGLE-CAR	6	43	0	0	6	43	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	6	43	0	0	6	43	0	0
DOLLAR BASIS								
SINGLE-CAR	5	36	0	0	5	36	0	0
MULTIPLE CAR	0	0	0	0	0	0	0	0
TRAINLOAD	0	0	0	0	0	0	0	0
TOTAL	5	36	0	0	5	36	0	0

TABLE 157

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
STCC 24990: MISCELLANEOUS WOOD PRODUCTS
ALL TERRITORIES
WEIGHT GROUP: ALL COMBINED

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	3	5	5	5
95 - 99	0	0	1	0
100 - 109	2	3	5	6
110 - 119	0	3	0	0
120 - 129	1	0	1	0
130 - 139	5	1	0	1
140 - 149	0	0	1	1
150 - 159	0	2	1	1
160 - 169	1	0	0	0
170 - 179	1	0	0	0
180 - 229	1	0	0	0
230 & OVER	0	0	0	0
TOTAL:	14	14	14	14
	---	---	---	---
SIMPLE AVERAGE RATIO	127	107	100	100

TABLE 158

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, WEIGHT GROUP AND TYPE OF SHIPMENT

STCC 24900: MISCELLANEOUS WOOD PRODUCTS

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
WEIGHT GROUP	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0- 20000	0	0	0	0	0	0	0	0	0
20000- 40000	3	21	0	0	0	0	80	0	0
40000- 60000	3	21	0	0	0	0	132	0	0
60000- 80000	6	43	0	0	0	0	135	0	0
80000-100000	2	14	0	0	0	0	161	0	0
TOTAL	14	100	0	0	0	0	126	0	0

TABLE 159

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

STCC 24900: MISCELLANEOUS WOOD PRODUCTS

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	2	14	0	0	0	0	108	0	0
201 - 300	3	21	0	0	0	0	94	0	0
301 - 400	1	7	0	0	0	0	177	0	0
401 - 500	0	0	0	0	0	0	0	0	0
501 - 750	3	21	0	0	0	0	153	0	0
751 - 1000	5	36	0	0	0	0	126	0	0
1001 - 1500	0	0	0	0	0	0	0	0	0
1501 - 2000	0	0	0	0	0	0	0	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	14	100	0	0	0	0	126	0	0

TABLE 160A

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC"S FOR LUMBER
ALL TERRITORIES
WEIGHT GROUP: 20000- 40000(POUNDS)

		RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	17	24	29	29
95 - 99	3	1	1	0
100 - 109	5	4	1	1
110 - 119	4	1	0	1
120 - 129	1	1	0	0
130 - 139	1	0	0	0
140 - 149	0	0	0	0
150 - 159	0	0	0	0
160 - 169	0	0	0	0
170 - 179	0	0	0	0
180 - 229	0	0	0	0
230 & OVER	0	0	0	0
TOTAL:	31	31	31	31
	---	---	---	---
SIMPLE AVERAGE RATIO	92	83	72	73

TABLE 160B

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR LUMBER
ALL TERRITORIES
WEIGHT GROUP: 40000- 60000(POUNDS)

		RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	8	17	27	27
95 - 99	3	5	6	3
100 - 109	4	10	9	11
110 - 119	12	9	4	2
120 - 129	8	5	1	4
130 - 139	7	1	0	0
140 - 149	0	0	0	0
150 - 159	5	0	0	0
160 - 169	0	0	1	0
170 - 179	0	0	0	1
180 - 229	1	1	0	0
230 & OVER	0	0	0	0
TOTAL:	48	48	48	48
	---	---	---	---
SIMPLE AVERAGE RATIO	118	101	92	94

TABLE 160C

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR LUMBER
ALL TERRITORIES
WEIGHT GROUP: 60000- 80000(POUNDS)

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	6	27	34	33
95 - 99	5	5	6	4
100 - 109	11	14	12	13
110 - 119	10	10	11	11
120 - 129	10	11	8	9
130 - 139	8	7	5	5
140 - 149	11	3	4	3
150 - 159	7	3	0	2
160 - 169	4	0	1	0
170 - 179	6	2	4	3
180 - 229	5	3	0	2
230 & OVER	2	0	0	0
TOTAL:	85	85	85	85
	---	---	---	---
SIMPLE AVERAGE RATIO	135	111	106	107

TABLE 160D

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC"S FOR LUMBER
ALL TERRITORIES
WEIGHT GROUP: 80000-100000(POUNDS)

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	3	16	17	17
95 - 99	3	6	6	5
100 - 109	8	15	15	16
110 - 119	4	9	7	10
120 - 129	13	15	18	15
130 - 139	8	19	16	15
140 - 149	9	7	8	9
150 - 159	11	9	10	8
160 - 169	13	5	4	6
170 - 179	12	0	0	0
180 - 229	17	0	0	0
230 & OVER	0	0	0	0
TOTAL:	101	101	101	101
	---	---	---	---
SIMPLE AVERAGE RATIO	149	120	120	119

TABLE 160E

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC"S FOR LUMBER
ALL TERRITORIES
WEIGHT GROUP: 100000-120000(POUNDS)

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	3	9	6	6
95 - 99	0	1	3	4
100 - 109	1	9	7	8
110 - 119	2	12	9	12
120 - 129	7	10	11	5
130 - 139	5	14	9	12
140 - 149	12	11	16	15
150 - 159	4	12	9	11
160 - 169	10	3	9	7
170 - 179	12	5	5	4
180 - 229	29	2	4	4
230 & OVER	3	0	0	0
TOTAL:	88	88	88	88
	---	---	---	---
SIMPLE AVERAGE RATIO	167	130	136	134

TABLE 160F

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC"S FOR LUMBER
ALL TERRITORIES
WEIGHT GROUP: 120000-140000(POUNDS)

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
		TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	0	0	0
95 - 99	0	2	0	0
100 - 109	0	3	2	2
110 - 119	0	7	5	7
120 - 129	2	4	5	4
130 - 139	1	10	4	8
140 - 149	6	4	9	6
150 - 159	4	3	5	4
160 - 169	5	1	3	2
170 - 179	5	3	0	2
180 - 229	13	0	4	2
230 & OVER	1	0	0	0
TOTAL:	37	37	37	37
	---	---	---	---
SIMPLE AVERAGE RATIO	173	132	141	138

TABLE 160G

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC'S FOR LUMBER
ALL TERRITORIES
WEIGHT GROUP: 140000-160000(POUNDS)

		RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON)		
RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	0	0	0
95 - 99	0	0	0	0
100 - 109	0	0	0	0
110 - 119	0	1	0	1
120 - 129	0	1	1	0
130 - 139	0	6	0	1
140 - 149	1	4	3	6
150 - 159	0	2	6	4
160 - 169	0	0	2	2
170 - 179	2	0	2	0
180 - 229	11	0	0	0
230 & OVER	0	0	0	0
TOTAL:	14	14	14	14
	---	---	---	---
SIMPLE AVERAGE RATIO	184	138	154	147

TABLE 160H

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC"S FOR LUMBER
ALL TERRITORIES
WEIGHT GROUP: 160000-180000(POUNDS)

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	1	0	0
95 - 99	0	0	0	0
100 - 109	0	0	1	1
110 - 119	0	0	0	0
120 - 129	1	0	0	0
130 - 139	0	0	0	0
140 - 149	0	2	0	0
150 - 159	0	0	0	2
160 - 169	0	0	2	0
170 - 179	0	0	0	0
180 - 229	2	1	0	1
230 & OVER	1	0	1	0
TOTAL:	4	4	4	4
	---	---	---	---
SIMPLE AVERAGE RATIO	205	146	168	161

TABLE 1601

FREQUENCY DISTRIBUTION OF SINGLE CAR MOVEMENTS
ALL STCC"S FOR LUMBER
ALL TERRITORIES
WEIGHT GROUP: 190000-200000(POUNDS)

RATIO (%) RANGE (1)	RATE TO VARIABLE COSTS (2)	RATE-TO- FULLY ALLOCATED COSTS (CONSTANT COSTS DISTRIBUTED ON) TON & TON-MILE BASIS (3)	CAR & CAR-MILE BASIS (4)	DOLLAR BASIS (5)
BELOW 95	0	0	0	0
95 - 99	0	0	0	0
100 - 109	0	0	0	0
110 - 119	0	0	0	0
120 - 129	0	0	0	0
130 - 139	0	0	0	0
140 - 149	0	0	0	0
150 - 159	0	1	0	0
160 - 169	0	1	0	0
170 - 179	0	0	1	1
180 - 229	2	0	1	1
230 & OVER	0	0	0	0
TOTAL:	2	2	2	2
	---	---	---	---
SIMPLE AVERAGE RATIO	220	157	183	176

TABLE 161A

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

ALL STCC'S FOR LUMBER

ORIGINATING TERRITORY: OFFICIAL

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	1	2	0	0	0	0	147	0	0
101 - 200	5	9	0	0	0	0	142	0	0
201 - 300	7	13	0	0	0	0	118	0	0
301 - 400	11	20	0	0	0	0	105	0	0
401 - 500	10	19	0	0	0	0	149	0	0
501 - 750	11	20	0	0	0	0	141	0	0
751 - 1000	8	15	0	0	0	0	150	0	0
1001 - 1500	1	2	0	0	0	0	125	0	0
1501 - 2000	0	0	0	0	0	0	0	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	54	100	0	0	0	0	133	0	0

TABLE 161B

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

ALL STCC'S FOR LUMBER

ORIGINATING TERRITORY: SOUTHERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	1	0	0	0	0	0	157	0	0
101 - 200	17	8	0	0	0	0	139	0	0
201 - 300	14	6	0	0	0	0	127	0	0
301 - 400	24	11	0	0	0	0	145	0	0
401 - 500	12	5	0	0	0	0	126	0	0
501 - 750	55	25	0	0	0	0	150	0	0
751 - 1000	50	23	0	0	0	0	146	0	0
1001 - 1500	37	17	0	0	0	0	156	0	0
1501 - 2000	11	5	0	0	0	0	124	0	0
2001 - 2500	0	0	0	0	0	0	0	0	0
2501 - 3000	0	0	0	0	0	0	0	0	0
3001 - 3500	0	0	0	0	0	0	0	0	0
3500 & OVER	0	0	0	0	0	0	0	0	0
TOTAL	221	100	0	0	0	0	145	0	0

TABLE 161C

NUMBER OF SHIPMENTS, AND RATE-TO-VARIABLE COST RATIOS(SIMPLE AVERAGE)
BY ORIGINATING TERRITORY, MILEAGE BLOCK AND TYPE OF SHIPMENT

ALL STCC'S FOR LUMBER

ORIGINATING TERRITORY: WESTERN

	NUMBER AND PERCENT OF SHIPMENTS						RATIO OF RATE-TO-VARIABLE COST		
MILEAGE BLOCK	SINGLE-CAR NUMBER	(%)	MULTI-CAR NUMBER	(%)	TRAINLOAD NUMBER	(%)	SINGLE CAR (%)	MULTI CAR (%)	TRAIN-LOAD (%)
0 - 100	0	0	0	0	0	0	0	0	0
101 - 200	0	0	0	0	0	0	0	0	0
201 - 300	4	3	0	0	0	0	152	0	0
301 - 400	10	7	0	0	0	0	159	0	0
401 - 500	18	13	0	0	0	0	165	0	0
501 - 750	18	13	0	0	0	0	165	0	0
751 - 1000	15	11	0	0	0	0	162	0	0
1001 - 1500	18	13	0	0	0	0	163	0	0
1501 - 2000	20	15	0	0	0	0	152	0	0
2001 - 2500	10	7	0	0	0	0	141	0	0
2501 - 3000	10	7	0	0	0	0	134	0	0
3001 - 3500	8	6	0	0	0	0	119	0	0
3500 & OVER	4	3	0	0	0	0	97	0	0
TOTAL	135	100	0	0	0	0	153	0	0

EX PARTE NO. 270 (SUB-NO. 2)

INVESTIGATION OF RAILROAD FREIGHT SERVICE

Decided June 19, 1978

On reconsideration of the Coordinator's report, 345 I.C.C. 1223 (1976), the Commission finds (1) that it is in the public interest to institute a rulemaking proceeding to establish performance standards governing terminal operations in the transportation of nonperishable commodities; (2) that service studies at major terminals be instituted 180 days after the adoption of performance standards; (3) that publication of railroad tariffs setting forth operating schedules between major terminals and interchange points be required; (4) that the BOp-105 complaint procedure and the quarterly service reports filed with the Commission shall be discontinued; and (5) that this proceeding be discontinued in all other respects.

DECISION

By an initial report and order, *Investigation of Railroad Freight Service,* 341 I.C.C. 1 (1971), the Commission instituted an investigation into the adequacy of railroad freight service. This investigation was instituted in response to numerous complaints of continuing rail service deficiencies as evidenced in the relevant portion of the records made in Ex Parte Nos. 265 and 267, *Increased Freight Rates, 1970 and 1971,* 339 I.C.C. 125 (1971). This evidence was made part of the record in this proceeding by the initial report. In order to obtain information from shippers on service deficiencies and to devise methods of eliminating them, the initial report requested shippers to compile and mail to the nearest ICC regional director a "Railroad Freight Service Report" (Form BOp-105). The form was revised by an order entered March 23, 1972.

In a report and order served April 2, 1976, 345 I.C.C. 1223, the Commission Coordinator concluded his investigation into alleged and admitted deficiencies into railroad freight service and other related matters. The Coordinator made fourteen ultimate findings regarding the issues raised in the proceeding, and further ordered that the proceeding be closed.[1] Among these findings was his conclusion that freight service provided by railroads subject to part 1 of the Interstate Commerce Act was not sufficient to meet the reasonable demands of the shipping public. The Coordinator's report contains recommendations concerning action the Commission should take in order to better rail service quality and reliability. Exceptions to the Coordinator's report and replies to the exceptions were filed by various railroad respondents, shipper interests,[2] and by the Special Projects Staff.

All parties to this proceeding fully recognize that it is in the public interest to improve rail freight service. One of the major contentions of the rail industry has been that improved rail freight service would result from the imposition of higher freight rates. Although it is undeniable that a lack of funds contributes to service problems, we cannot fully agree with the position taken by the rail industry. As pointed out in the Coordinator's report, generating increased revenues by raising the general level of rates has not resulted in improved freight service that meets the reasonable needs of the shipping public. It appears more relevant to note, as did the Coordinator, that improved rail freight service has the potential for generating capital investment and increased revenues far in excess of that which could be achieved through proposed rate increases.

With these comments in mind we believe it is appropriate to mention here the passage of *The Railroad Revitalization and Regulatory Reform Act of 1976*, (4R Act). One of the primary purposes of Congress in passing the 4R Act was to generate greater revenues for railroads in order to improve their financial status. The emphasis of this legislation does not rest on higher rates per se, but on ratemaking flexibility, better analysis of this Nation's railroads financial condition, and investment incentive in the rail industry. Towards this end the Commission has implemented various provisions of the 4R Act. There are prescribed new standards (1) to determine adequate revenue levels to cover expenses and provide adequate profit and return on capital;[3] (2) to govern our determination of the reasonableness of rates in accordance with "market dominance";[4] (3) to promote the publication of rates designed to stimulate capital investment;[5] (4) to promote the publication of separate rates for distinct rail services;[6] (5) to promote the publication of railroad rates based on seasonal, regional, or peak-period demand for rail services;[7] (6) to allow for a more accurate representation of the actual cost of freight car ownership in a revised basic car service or compensatory per diem formula;[8] and (7) to determine more accurately the cost of service through an updating of the current accounting system.[9]

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[1] The findings of the Coordinator are set forth in appendix A.

[2] Exceptions were filed by the Eastern Railroads, Garvey, Inc., and Southern Hardwood Traffic Association. Exceptions and replies were filed by General Mills, Inc.; National Grain and Feed Association; Seaboard Coast Line Railroad Company and Louisville and Nashville Railroad Company; Southern Railway System; and the Western District Railroads.

[3] Ex Parte No. 338, *Establishment of Adequate Railroad Revenue Levels*, 358 I.C.C. 844 (1978).

[4] Ex Parte No. 320, *Special Proc. for Findings of Market Dominance*, 353 I.C.C. 874 (1976) and 355 I.C.C. 12 (1976).

Without improved rail freight service, the efforts made under the 4R Act to improve the financial status of the railroads will be negated. The railroads must provide service reliability and meet the reasonable needs of shippers or the viability of railroads as a mode of transport under private enterprise will dramatically deteriorate as shippers continue to seek alternative means of transportation. It is evident that many of the problems raised in this proceeding go beyond the expected reform which should result from the 4R Act. Therefore, the Commission must take affirmative action to promote better quality service and reliability. The action to be taken in this regard is discussed below in the context of our conclusions regarding certain of the findings and recommendations made by the Coordinator.[10]

Jurisdiction.—The railroads reiterate their contention that the issues raised in this proceeding involve internal or day-to-day operations conducted by railroad management over which the Commission has no jurisdiction. They also restate their argument that the Commission has specifically disclaimed jurisdiction over disputes founded upon delay in the delivery of shipments resulting from inadequate service operations. More specifically, Eastern Railroads (ER), maintain that the Commission has no authority to adopt the Coordinator's recommendation to institute a rulemaking proceeding requiring the railroads to conduct terminal operations studies and to adopt operating rules governing reasonable railroad terminal operations.

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[5] Ex Parte No. 327, *Rate Incentives for Capital Investments*, 353 I.C.C. 760 (1977).

[6] Ex Parte No. 331, *Procedures for Publication of Separate Rates*, 355 I.C.C. 683 (1977), as modified by order served on December 5, 1977.

[7] Ex Parte No. 324, *Standards and Procedures for Railroad Rates*, 355 I.C.C. 521 (1977), as modified by order served on July 20, 1977.

[8] Ex Parte No. 334, *Car Service Compensation—Basic Per Diem Charges*, 358 I.C.C. 715 (1977) as modified in 359 I.C.C. 138 (1978).

[9] No. 36367, *Revision to the Uniform System of Accounts for Railroads*, 361 I.C.C. 120 (1977).

[10] Exceptions to issues raised and discussed by the Coordinator which are not specifically discussed in the body of this report are commented on in appendix D.

Shipping interests and the Special Projects Staff (SPS), concur in the conclusions reached by the Coordinator regarding the Commission's jurisdiction over the subject matter of this proceeding. They maintain that there can be no question as to the Commission's jurisdiction to regulate the quality of railroad freight service because that jurisdiction is imperative to achieve the purposes of the Interstate Commerce Act. They assert that the Coordinator's report conclusively delineates the broad authority given the Commission to enforce the provisions of the Interstate Commerce Act, to investigate and prescribe railroad practices, and to carry out the goals of the national transportation policy.

The facts and contentions of the parties and the Coordinator's conclusions insofar as they pertain to the power vested in this agency by Congress to regulate, control, or affect the quality and adequacy of rail freight service are set forth in considerable detail in the prior report. As clearly indicated in the extensive discussion of jurisdiction in the Coordinator's report and by subsequent decisions in Ex Parte No. 284, *Need for Defining Reasonable Dispatch,* 351 I.C.C. 812 (1976), and 355 I.C.C. 162 (1977); and Finance Docket No. 28412, *Winnebago Farmers Elevator Company* v. *Chicago and North Western Transportation Company,* 354 I.C.C. 859 (1978), we find that this Commission is fully empowered and possesses the requisite jurisdiction to consider the issues involved and to promulgate remedies as may be deemed appropriate, reasonable, and necessary in the circumstances.

Terminal performance standards and terminal studies.—The Coordinator's report recommends that the Commission institute a rulemaking proceeding to adopt operating rules for the determination of what constitutes reasonable railroad terminal operations. The suggested rules are contained in appendix E of the Coordinator's report. The Coordinator's report further recommends that the Commission require the railroads to conduct a series of studies concerned with interchange traffic at various major terminals throughout the Nation. The suggested procedures to be followed as a minimum test of service rendered in their major terminals were set forth in appendix F of the Coordinator's report. In the opinion of the Coordinator these studies would be complementary to the suggested rulemaking and would assist the carriers to resolve terminal problems. In view of our conclusion to institute a rulemaking proceeding of this type, extended discussion of views expressed by the parties in support of this proposal is not necessary.

The railroad respondents except to the Coordinator's recommendation that the Commission institute a rulemaking proceeding to adopt the suggested terminal operating rules. The railroads maintain that the report contains no specific discussion of the proposed rules and fails to establish that their adoption is necessary, desirable, or practical. They regard the proposed rules as a rigid formula which would only impede progress toward service improvements in this area. It is argued that the only real solution to service problems will come from an active commitment at all levels of railroad management to resolve reliability problems.

For a variety of reasons the railroad respondents also maintain that the Coordinator's suggestion that the Commission order the railroads to conduct service studies at major terminals is impractical. ER and Western District Railroads (WDR) stress that there are numerous interchange points and no real criteria for determining what is meant by "major terminals." Together with Southern Railway Systems (SRS), these railroads emphasize that such studies would place an extraordinary burden on the available time of railroad operating personnel. It is felt that this drain on railroad manpower would actually damage efforts being made to better service. SRS also questions the purpose behind conducting such studies. SRS maintains that the Coordinator proposes to collect the wrong data and that the study of terminals is the study of the wrong problem. It asserts that terminal congestion is only a symptom of more pervasive operating problems which cannot be identified or treated without studying individual point-to-point operations, not operations of isolated terminals. Furthermore, SRS argues that the problem is not lack of data, but the lack of necessary and flexibile computer programs to manipulate the mass of data which the railroads already have on hand. WDR would agree with SRS that the data collected under these studies would be of doubtful practical value and would not enable the Commission to take any action with respect to terminal operations.

National Grain and Feed Association (NGFA), points out that the rules suggested for study by the Coordinator were initially proposed by itself and the American Feed Manufacturers Association as part of a comprehensive plan with standards designed to give definition to the concept of minimum acceptable rail freight service. However, NGFA criticizes the rules suggested by the Coordinator because they fail to contain what it regards as important self-enforcing regulations.[11]

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[11] The arguments made by NGFA in this regard are considered in this report under the section entitled "Reciprocal Demurrage."

NGFA also finds itself unable to endorse the Coordinator's proposal to collect data with respect to physical operations at rail terminals and junction points. Once again, it maintains that in lieu of this proposal the Commission should take prompt corrective action by adopting self-enforcing terminal operating regulations. It points out that in Ex Parte No. 284, *supra,* the Commission adopted terminal operating regulations for perishable commodities without possessing the type of information sought by the Coordinator's proposal. NGFA argues that the railroads cannot be relied upon to fulfill their promises of improving service without the imposition of rules, regulations or sanctions. It claims this is evident from the inconsistencies of their arguments and that a do nothing result will flow if matters are simply left to them. For example, it points out that the SRS claims it does not have available manpower for any proposed study, yet SRS has devoted a good deal of manpower for an MIT study.[12] NGFA also wonders how, if the railroads have the initiative to improve their service, they plan on doing so without studying the causes of their service deficiencies.

General Mills, Inc. (GMI), takes the position that the Commission should not institute rulemaking proceedings concerning any aspect of terminal operations until (a) the Freight Car Scheduling Project is completed in late 1978; (b) the first two phases of the Freight Car Utilization Project are completed in 1978; (c) MIT has had an opportunity to persuade the railroads to apply and test concepts developed by its studies;[13] (d) train II has been operational longer; (e) the St. Louis Terminal Project has more visability; and (f) ConRail has gone through the first 3 years of rehabilitation efforts. It argues that the years 1978 through 1980 will see major building blocks completed upon which improvements in terminal operations could result, thereby removing the need for any further rulemakings in this area.

The Coordinator's discussion places in proper perspective the importance of seeking solutions that will create efficient terminal operations and, thereby, contribute to the overall quality of total freight service. The Coordinator did not, as suggested by the comments of the railroad respondents, overemphasize the necessity of service improvements in the area of terminal operations. The

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[12] See Martland, Carl D., "Improving Railroad Reliability: A Case Study of the Southern Railway," M.I.T. Department of Civil Engineering, Studies in Railroad Operations and Economics, Vol. 10, 1974.

[13] "Studies in Railroad Operations and Economics" consists of a series of volumes reporting on various railroad operational problems. It is prepared by the Massachusetts Institute of Technology for the Federal Railroad Administration of the Department of Transportation.

Coordinator amply supported his position by taking official notice of reports and projects conducted by both industry and Government which indicate awareness and concern with improving terminal operations.[14] It is evident that the Coordinator was correct in his assertion that to the extent possible the Commission should promote improvement in terminal operations by taking appropriate affirmative action.

The nature of the affirmative action recommended to the Commission by the Coordinator was largely governed by the evidence placed in the record by the parties to this proceeding. After a full reexamination of the record, we agree with the Coordinator that the evidence was not sufficient to allow for the development or immediate adoption of rules affecting all the various phases or components of railroad terminal operations. However, the Coordinator was correct in his finding that the evidence was sufficient to recommend to the Commission that it institute a rulemaking proceeding for the purpose of adopting a general terminal service formula. We find that this suggested approach is the most practical means for the Commission to contribute to promoting better quality service in the area of terminal operations.

Although we agree with the Coordinator on instituting a rulemaking proceeding for the purpose expressed above, we have determined that for the purpose of clarity and uniformity the general service formula suggested by the Coordinator's report in appendix E should be revised to reflect the format of similar rules adopted for perishable commodities in Ex Parte No. 284, *supra*. This revised general service formula is set forth in appendix B and shall be included in our notice of proposed rulemaking. The regulations establish nine performance standards under which specific operations are to be accomplished within a given railroads' "usual and customary time," but not in excess of 24 hours. This formula may be modified should the evidence presented in the rulemaking proceeding so warrant.

We further note that the proposed rules are not designed as a rigid formula to impede progress toward service improvements in this area. They allow for flexibility in resolving specific problems that may arise in certain terminal areas without abandoning the concept of service standards. In those instances where carriers are confronted with a situation where the regulations impose unreasonable requirements, relief is available under 49 CFR section 1039(b)(2). This section permits the Railroad Service Board to authorize exceptions which become effective on the date published in the Federal Register.

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[14] Of particular note are several experiments conducted in terminal areas at St. Louis by a Labor/Management Task Force. Substantial improvements in terminal operations and services were reported by the Labor Management Task Force in "A Program of Experiments Involving Changes in Terminal Operations on the St. Louis Terminal Division Missouri Pacific Railroad—1974 Progress Report" (1975). We understand that the St. Louis Terminal Project is continuing and that its apparent success has led to agreements to pursue similar projects at other locations.

More importantly these regulations should provide railroad management with further incentive to commit themselves actively to resolving reliability problems. The regulations do this by establishing in a defined context a framework of minimal capability standards which should be met by railroads. They do not contain self-enforcing provisions as suggested by NGFA. This issue is discussed later on in this report.

We cannot agree with the position taken by GMI that the Commission refrain from instituting rulemaking proceedings concerning any aspect of terminal operations until certain industry and Government projects in this area are completed. The overall extent and complexity of freight service problems requires that the Commission make its practical contribution to the efforts of industry and other branches of our Government which seek to better rail freight service. Only through our combined efforts can adequate freight service become a reality.

We cannot agree with SRS that no useful purpose would be served by a study of terminal operations. Their contention that such a study would only result in the collection of useless data is also without merit. There are obviously many aspects of the overall freight service problem and equally many perspectives from which each of these problems may be viewed. Thus, from a railroad's point of view it may be necessary for it to study isolated point to point operations to identify and treat specific problems of service. However, from the Commission's point of view it would be impractical to pursue the study of point to point operations on a large scale because it would dilute the Commission's potential to deal effectively with or provide solutions to service problems on a broad scale. Similarly, a railroad may determine that more flexible computer programs are necessary to manipulate a mass of data and improve service, but this does not detract from the Commission's data needs. It is important to emphasize that the Commission has the broad obligation to promote the national transportation policy, which encompasses the objective of providing overall efficient rail service.

In view of the above comments, we find that service studies at major terminals should be instituted 180 days after terminal operations regulations go into effect. The purpose behind these studies would be to evaluate the effectiveness of the implemented regulations and determine whether changes are necessary. These studies shall be carried out by the railroads under the direction and supervision of the Bureau of Operations. The Commission will entertain suggestions and comments as to what major terminals should come under study and what format and procedure should be followed in conducting the studies. A suggested format for gathering relevant service activity information in a terminal area is included in appendix C. Suggestions and comments on the format and procedure will be accepted as part of the pleadings to be submitted in the proposed rulemaking for the adoption of terminal operations regulations.

Form BOp-105.—The Coordinator's report notes that the standardized complaint procedure instituted by the Commission, Form BOp-105, was intended to afford shippers a supervised means of alleviating specific service problems and, coincidently, to provide shippers with an opportunity to present evidence regarding rail freight service. The complaints of shippers and the responses by the involved railroads, as reported in the BOp-105 program, indicates that only a few shippers participated and that the service deficiencies involved only a small group of railroads. Since the Commission's program summary represented only a narrow sample of the entire shipping public, the Coordinator determined that the BOp-105 program data was of limited probative and practical value. Furthermore, the general opposition of the shippers to this type of reporting procedure, as indicated by its lack of use, resulted in the Coordinator finding that the form was an ineffective information gathering tool and that the program for filing service complaint reports should be discontinued.

Seaboard Coast Line Railroad (Seaboard) and WDR maintain that the BOp-105 program should be continued. They find no merit to the contentions of the shippers that the form is too lengthy or that completion of the form is a burdensome task. They note that, aside from providing an explanation of the deficiency that has occurred, the form for the most part requires only a checking of blocks on a single page. Furthermore, these railroads assert it is essential that service complaints be specific and in writing as required by Form BOp-105. They maintain that general declarations of inadequate service can easily be made and are of little probative value. However, they argue that specific complaints give the railroads an opportunity not only to draw the matter into focus but also to take corrective action.

Southern Hardwood Traffic Association (SHTA) is the only party representing shipping interests which disagreed with the Coördinator's discontinuance of the complaint program. SHTA maintains that the poor response by shippers resulted from the Commission's failure to follow up on complaints which were submitted.

The standardized complaint procedures instituted by the Commission, Form BOp-105, was shown by the Coordinator to be inadequate as a supervised means of alleviating specific service complaints and ineffective as a means for gathering information. At present, the Commission operates a computerized program for telephone and written complaints which should permit the Commission to accomplish more effectively the objectives of the BOp-105 complaint program. The categorization, analysis, and continued updating of these complaints provide the Commission's Bureau of Operations personnel with an effective tool to pursue diligently, through informal administrative handling with railroad management, corrective action to the extent permitted by our manpower resources. In addition, it should not be forgotten that railroads and shippers can and should be able to resolve many service problems through their own efforts. Where this does not prove possible and the problem can not be administratively resolved by Bureau of Operations personnel, formal complaint procedures can be instituted under authority of the Interstate Commerce Act. In view of these comments we feel that it would serve no purpose to reinstate the BOp-105 complaint program. We agree with the Coordinator's finding that the BOp-105 complaint program should be discontinued.

In addition, we find that quarterly service reports filed with the Commission by railroad respondents pursuant to the Commission's order, dated March 4, 1971, in Ex Parte Nos. 265 and 267, *supra*, should be discontinued. As noted by the Coordinator, these reports have been largely self-serving in nature. Furthermore, we see no need for the continued filing of these reports in view of the actions taken in this proceeding and in Ex Parte No. 338, *Establishment of Adequate Railroad Revenue Levels*, 358 I.C.C. 844 (1978). It should be noted that information with regard to service must be filed by the carriers, in general increase proceedings.

Freight schedules.—The Coordinator recommended that because of serious legal obstacles, the railroads would be requested, rather than required, to publish freight service schedules. The Coordinator believed that publication of schedules would have to be in tariff form and, thus, would subject the carrier to possible civil and criminal liability if the published standards were not met.

The SPS and various shippers and shipper interests disagree with the Coordinator's view that legal obstacles exist, and reiterate their position that the railroads should be required to publish freight schedules. SPS points out that carriers are already under a duty to transport goods with reasonable dispatch under section 20(11) of the act and under the common law. Therefore, SPS submits that the schedules would not increase civil liability, but would merely be an indication of the reasonable length of time a particular shipment spends in transit.[15] In addition, SPS argues that there is nothing in the act which requires that the service schedules be published in tariff form.[16] Even assuming that tariff publication were required, SPS argues that the Elkins Act imposes criminal liability only for willful failure to observe the tariff, not for negligent violations. Similarly, SHTA pointed out that criminal liability could be avoided by specifying in the tariff that the schedules were not guaranteed.

SPS further argues a shipper needs to know the customary and usual time frame for his shipment and that simplified schedules can be developed and published to provide shippers with the information necessary to coordinate their commercial operations. SHTA points out that the operational departments of class I railroads maintain certain operational schedules for their own internal supervision and maintenance which could be expanded and made available to the public. SPS suggests that the scheduled delivery date be inserted on the waybill, freight bill, or delivery documents, as well as in the carrier's computerized shipment records system. This would inform the carrier personnel of the need to move the shipment, would serve as a check on the information base for measurement of performance, and would inform carrier personnel of penalities for service failures.

SPS recommends in the alternative that, if the Commission upholds the Coordinator's finding that the publication of schedules is requested, it should recommend that the request become mandatory at the end of a 12-month period.

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[15] It is noted that railroad operating schedules are used as evidence when the reasonableness of the shipment time is in issue. *Provisions on Vegetables & Melons, Transcontinental,* 340 I.C.C. 807, 814 (1972).

[16] The SPS argues that the conclusions in *Ad Hoc Committee on Consumer Protection v. United States,* 317 F. Supp. 370 (D.D.C. 1970) which the Coordinator relied upon, are distinguishable from this situation.

NFGA asserts that the existence of the railroads' voluntary right to publish schedules is not enough to justify their position that no further Commission action is required. NGFA argues that the Commission should require publication because in many instances the railroads do not exercise their voluntary right to publish.

GMI maintains that freight service schedules are of great importance, but believes that the Commission should not mandate publication of schedules until after the railroads finish implementing such programs as the Freight Car Scheduling Project, which GMI believes will establish the building blocks of dock-to-dock scheduled service.

In their exceptions, SRS, WDR, and Seaboard attack SPS's arguments and proposals as untenable, unacceptable, and less pragmatic than the Coordinator's approach. SRS and WDR point out that the railroads have, in some instances, voluntarily published schedules in the Official Guide, and see no need for further Commission action in this area.

SRS and WDR also note that a distinction should be drawn between train schedules, which give times from railroad terminal to railroad terminal, and service or delivery schedules, which give times from dock to dock. They maintain that train schedules are of little value to shippers and that publication of dock-to-dock schedules would become impossibly burdensome. They point out that there are millions of dock-to-dock combinations and the present state of the railroads' data processing system does not permit the advance calculatuon of such schedules.

SRS and Seaboard assert that publication of schedules will not solve freight service problems. They attribute these problems to a lack of schedule and terminal reliability, and coordination, and to a need for increased rail revenues to make necessary investments in facilities to improve service. Seaboard states that shippers usually know the schedule their traffic will follow without the Commission imposing rigid mandatory schedules.

We agree with the Coordinator that requiring publication of schedules for all of the potentially large number of dock-to-dock combinations would be costly and burdensome to the railroads. However, the Coordinator's concern with feasibility and burdensome costs stems from the difficulties inherent in producing schedules to and from all possible points. It would be much less difficult to publish schedules for major terminal and interchange points. As the Coordinator pointed out in his report, and several railroads note on exceptions, the railroads have, in many instances, published schedules in the "Official Guide of the Railways" and have published routing instructions in many tariffs. Moreover, the Coordinator noted that schedules between major terminals "would present no real difficulty in preparation," and "could only aid the effectiveness and safety of railroad operations."

Both the railroads and the Coordinator expressed concern that required publication, in tariffs could expose the railroads to potential criminal and civil liability. As the Special Projects Staff pointed out, the langauge of the Elkins Act[17] depends on a finding of willful violation. In addition, the railroads are already subject to civil liability for failure to transport goods with reasonable dispatch under section 20(11) of the act[18] and the common law.[19] Therefore, we do not find the question of liability to be a serious obstacle to the publication of freight schedules.

We note that the Commission required the railroads to publish similar schedules for movements of perishable commodities in Ex Parte No. 284, *supra*. As we stated in that case, we understand that many factors, such as road bed, power equipment, maintenance facilities, and car supply affect the practicability of operating schedules. However, the benefits of published schedules, as a means of generating new and additional traffic and as an aid to increased efficiency, safety, and effectiveness outweigh the difficulties which may arise in their publication.

Therefore, we will require the railroads to publish freight schedules between major terminal and interchange points. By limiting the points in this manner, the burden of publication should be minimal. In implementation, we will follow the procedure set out in Ex Parte No. 284, *supra*, and allow the railroads a reasonable opportunity to publish schedules between major terminal and interchange points in their tariffs. In our view, 210 days should be adequate for this purpose.

Reasonable dispatch.—Various nonrailroad interests requested the Coordinator to define the term reasonable dispatch in this proceeding. The Coordinator declined to do so, pointing out that a legal definition applicable to all rail shipments of general freight is not susceptable to slide rule calculation, and that defining reasonable dispatch would be tantamount to formulating schedules for all movements with penalties imposed for failure to meet such schedules. The Coordinator also considered the fact that a proceeding addressed specifically to the need to define reasonable dispatch in the transportation of perishable commodities was pending before the Commission in Ex Parte No. 284, *supra*. Since similar substantive arguments were considered in that proceeding, the Coordinator decided that a definition of reasonable dispatch as it pertains to rail transportation of nonperishable freight, should await the Commission's final decision in Ex Parte No. 284.

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[17] "[t]he *willful* failure on the part of any carrier *** to file and publish the tariffs or rates and charges as required *** or to strictly observe such tariffs until changed according to law, shall be a misdemeanor ***" [Emphasis added.]

[18] *N.Y. & Norfolk RR* v. *Peninsula Exchange*, 240 U.S. 34, 38 (1916).

[19] See *Vegetables and Melons, supra*.

In an initial report and order by the Commission in Ex Parte No. 284, *supra*, 351 I.C.C. 812, served on May 3, 1976, the Commission decided not to adopt rules defining reasonable dispatch proposed in that proceeding's initiating notice and order. The Commission did propose regulations establishing performance standards pertaining to specific segments of an overall movement of a shipment, while declining to require the railroads to adopt and publish realistic freight schedules for perishable commodities.

GMI argues that it is necessary to reconcile the views expressed in the Coordinator's report in this proceeding with those set forth in the initial report by the Commission in Ex Parte No. 284, *supra*, 351 I.C.C. 812. GMI insists that the Commission should apply the performance standards adopted in Ex Parte No. 284 for perishable commodities to nonperishable commodities. GMI also requests the Commission to reexamine the Coordinator's views regarding the publication of freight schedules, asserting that the discussion in the Coordinator's report is inconsistent with the report in Ex Parte No. 284, *supra*, 351 I.C.C. 812.

In the report and order on reconsideration in Ex Parte No. 284, *supra*, 355 I.C.C. 162, served on September 2, 1977, the Commission found it in the public interest to adopt final regulations, as modified, which establish performance standards governing the rail transportation of defined perishable commodities. The Commission departed from the position taken in the prior report that required railroads to adopt realistic freight schedules was unfeasible, and required the railroads to publish railroad tariffs setting forth operating schedules on perishable commodities between key producing and consuming points.

In light of our decision in Ex Parte No. 284, *supra*, we believe that a broad attempt to define reasonable dispatch which does not include positive action will not alleviate service problems.

Accordingly, we have proposed performance standards for terminal operations and have required the publication of freight schedules between major terminal and interchange points. When adopted, they will permit a prompt determination of reasonable dispatch in individual cases.

Alternative rates.—GMI takes exception to the Coordinator's discussion and recommendation that the Commission not adopt a plan which would call for the publication of alternative rate structures. It argues that the Coordinator's discussion does not fully or accurately describe GMI's two alternative rate structure proposals for relating the quality and reliability of rail freight service to the rate structure.

The two alternative rate structure proposals suggested by GMI can be summarized as follows. Plan 1, referred to as the "Two Level Rate Structure," would allow the railroads to publish a basic rate and a controlled service rate. The controlled service rate could be a separately established rate or a percentage surcharge over a basic rate. Shipment under a controlled service rate would mean that a shipper is entitled to an in-transit performance level which would exceed normal service quality and reliability under a basic rate. Failure to meet the controlled service standards without justification would result in damages being automatically deducted or set off by the shipper to the level of the basic rate. Justification would be limited to matters beyond the control of the participating carriers such as acts of God, acts of public authorities, or acts and default of the shipper. This remedy would be exclusive except in those instances where a "no pay" situation (*e.g.* acts of God) appears to be present or where the loss was due to the willful and intentional act of the carrier.

Plan 2, referred to as the "Deductible Rate Plan" would allow rail carriers to tie the basic rate structure to a controlled in-transit performance level. Subject to the same exceptions as in plan 1, failure to meet the controlled standards of performance would be redressed by automatic deductions by the shipper in either a dollar amount or percentage of the rate for each day of delay, and not to exceed the total amount of the freight charges. This remedy would also be exclusive of all other legal remedies with the same exceptions as in plan 1.

The underlying basis for GMI's proposals is that the problems with rail freight service are deeply rooted in the general economic condition of the industry and therefore, require economic rather than strictly legal solutions. By relating service reliability to the rate structure through the adoption of an alternative rate structure proposal, GMI submits that economic incentives and disincentives for good and bad service would be permitted to work in an expeditious and flexible manner without the delays inherent in seeking recourse through the legal or administrative process.

GMI disagrees with the Coordinator's assumption that for the proposals to work there must be a comprehensive understanding of the capacity of the railroads to provide reliable service followed by "the implementation of concise standards of general service performance based on the ability to serve." GMI argues that the Commission need only allow the railroads the option of filing tariffs which contain proposals of this type and encourage the implementation of these proposals by issuing a broad and general statement of policy that the proposed plans are not illegal per se. GMI further states that the carriers choosing to adopt these proposals should be required to evaluate their effect as to (a) shipper acceptance and use; (b) effect on service reliability; and (c) increases or reductions in claims paid. GMI believes that these reports and other information the Commission may deem relevant, including the reasons for the nonapplication of these proposals to some or all traffic by some or all railroads, would allow the Commission to consider the feasibility of making them mandatory for all freight traffic or significant portions thereof. GMI maintains that the Commission would be doing no more than giving general endorsement to principles already espoused in such cases as *Vegetables & Melons Transcontinental Eastbound*, 335 I.C.C. 798 (1970); and *Grain by Rent-A-Train, IFA Territory to Gulf Ports*, 335 I.C.C. 111 (1969). GMI is also critical of the Coordinator for not relating GMI's proposals to the new authority to promote innovative ratemaking given to the Commission, under sections 15(17) and 15(18) of the Interstate Commerce Act. It believes that these sections of the act should dispel any doubts regarding the Commission's position on endorsing GMI's proposals.

NGFA maintains that GMI's two rate service plans are unacceptable. It argues that GMI's first plan overlooks the fact that shippers have already been paying surcharges in the form of general rate increases for which they have received nothing in the way of improved service. NGFA believes that this approach might result in discriminatory practices or the provision of reliable railroad service only to the wealthiest of shippers or those commercially compelled. With respect to GMI's second plan, NGFA objects to the fact that

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GMI apparently would allow the railroads the discretion to publish the type of penalty tariff which GMI proposes. NGFA maintains that it would be an error on the part of the Commission to endorse such a proposal and not depart from the concept which leaves the correction of service deficiencies to the discretion of rail carriers.

WDR were the only railroads to reply specifically to GMI's comments regarding the Coordinator's recommendations not to adopt an alternative rate structure proposal. WDR maintains that a finding by the Commission that the two proposals are not illegal per se would not be binding upon the courts. In this regard, WDR asserts that rail carriers could not afford to take a chance on proposals that could result in serious liabilities on loss and damage matters or on findings of discrimination under the Elkins Act and Interstate Commerce Act. It argues that despite any general endorsement by the Commission, the rail carriers would be unwilling to implement these proposals without a specific change to section 20 of the Interstate Commerce Act. Furthermore, WDR submits that rail carriers do not deem new section 15(18) of the Interstate Commerce Act as authority for publishing two different rates on the same commodity moving between the same points, one for fast service and another for less expeditious service.

The Commission strongly supports genuine innovation that will lead to improved rail freight service. We further recognize that rail freight service problems require economic as well as legal solutions. Thus, we will look favorably on innovative proposals that embody alternative rate structures which allow shippers to pay premium charges for expedited services or service performance levels that exceed normally adequate service quality and reliability.

At the same time, we feel it is necessary to emphasize that the Commission is obligated to examine the lawfulness of such proposals under the Interstate Commerce Act, Elkins Act, and other applicable statues. In this regard there is adequate legal precedent to guide both the Commission and proponents seeking publication of such innovative proposals. Refund provisions that are discriminatory or allow for illegal rebates will not be acceptable. Neither will a refund provision be regarded as a valid liquidated damages clause where there is no attempt to forecast reasonably the amount of damages which will result from a breach of a guaranteed service provision. Furthermore, provisions that foreclose the shippers' right to recover damages over and above those received under valid refund provisions resulting from failure to provide the guaranteed service would be a limitation of liability illegal under section 20(11) of the Interstate Commerce Act.[20]

After careful reconsideration of GMI's alternative rate structure proposals, we find ourselves in agreement with the Coordinator that these particular proposals are unacceptable and should not be adopted or endorsed by the Commission. These proposals are fatally vague in the mechanics of their operation. Under such circumstances, it would be unwise for the Commission to give blanket approval to these proposals for widespread application. The complexity of the economic and legal issue surrounding the publication and approval of innovative alternative rate structure proposals requires not only that proponents provide, but also that the Commission consider, detailed proposals and on a case by case basis. Furthermore, even in their vague form, these proposals cannot overcome certain legal barriers.[21] For instance, the Coordinator noted that an automatic, exclusive remedy is fundamental to the functioning of both plans. For this reason, the plans fall victim to the provisions of section 20(11) of the Interstate Commerce Act which prohibits the Commission from sanctioning, except for released rates, any proposal having the effect of limiting the liability of general freight transporters for damages caused by reason of their breach or default of their common law or statutory duties to the shipping public.

The 4R Act called upon the Commission to promote under new sections 15(17) and 15(18) of the Interstate Commerce Act the publication of demand sensitive rates and separate rates for distinct rail services. Alternative rate structure proposals of the type considered in this proceeding are not precluded by these new sections of the Interstate Commerce Act.[22] Therefore, in the spirit of the 4R Act to promote innovative ratemaking, we emphasize, despite our rejection of GMI's two rate service plans, our endorsement of the concept of alternative rate structures for premium and normal service. We believe that this type of innovative ratemaking can provide further economic incentive to improve rail freight service. See also Ex Parte No. MC-98, *New Procedures in Motor Carrier Restructuring Proceeding*, 359 I.C.C. 397 (1978), for a discussion of alternative rates in motor carrier service.

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[20] With respect to these matters we refer the parties of this proceeding to the following cases which further delineates the position of the Commission: *Guaranteed Service, Pacific Intermountain Exp.*, 351 I.C.C. 90 (1975); *Grain by Rent-A-Train, IFA Territory to Gulf Ports*, 339 I.C.C. 579 (1971); *Vegetables & Melons, Transcontinental Eastbound*, 335 I.C.C. 798 (1970); *United States* v. *Union Pacific R.R. Co.*, 173 F. Supp. 397 (S.D. Iowa, 1959), affirmed 362 U.S. 327 (1960); *Propriety of Operating Practices—Terminal Services*, 209 I.C.C. 111 (1935).

[21] GMI maintains that the Coordinator's discussion of the status of "contract rates" leaves the impression that GMI's two rate service plans are analogous to "contract rates" and illegal per se under Commission decisions in *Contract Rates, Rugs and Carpeting from Amsterdam, N.Y.*, 313 I.C.C. 247 (1961); and *Guaranteed Rates, Sault Saint Marie, Ontario to Chicago*, 315 I.C.C. 311 (1961). GMI asserts that the analogy should be rejected. We believe that GMI's understanding of the Coordinator's views are incorrect. The Coordinator's comments were only broadly illustrative of certain types of rate proposals which the Commission has not allowed under the Interstate Commerce Act. Rejection of GMI's proposals was based on other criteria. However, we note that by a notice of proposed change of policy, *Railroad Contract Rates (General Policy Statement)*, dated May 11, 1978, and published in the Federal Register on May 23, 1978 (43 F.R. 22148), the Commission has issued a general policy statement regarding the filing of railroad contract rates. Comments are presently being filed by interested parties.

With respect to the comments made by WDR on possible publication of alternative rate structure proposals by rail carriers, we note that a well constructed proposal that contains a valid refund provision should not expose the railroads to any greater liability on loss and damage matters or to findings of discrimination under the Elkins Act and Interstate Commerce Act than now exist. In fact, such proposals could greatly diminish the cost and controversies surrounding such matters. Improved service and better relations between carrier and shipper could only result. With respect to NGFA's comments we again emphasize that the Commission is obligated to examine the lawfulness of such innovative proposals under the Interstate Commerce Act, Elkins Act, and other applicable statutes.

Reciprocal demurrage.—A number of shippers and shipper organizations disagree with the Coordinator and maintain that a plan which provides for reciprocal demurrage should be adopted by the Commission. NGFA points out that the record contains substantial evidence indicating that excessive transit times, generated in large part by terminal delays, were costly in terms of inventory expenses, demurrage, production slowdowns, missed vessel connections in the export grain market, and the use of more expensive alternative transportation. NGFA maintains that these extensive delays cannot be attributed, as the Coordinator suggests, solely to the inherent defects in service capacity which must be accepted as an ordinary cost of doing business. For this reason, NGFA submits that the Commission should immediately adopt, without further consideration, self-enforcing regulations prescribing schedules for the performance of rail terminal operations. These regulations would function in a manner similar to the Commission's demurrage rules and would contain an arbitration procedure to resolve any limited disputes that may arise. NGFA points out that the nature of these regulations would permit enforcement without adding burdensome enforcement responsibilities to the Commission's present workload.

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[22] For further elaboration on this statement and on the nature of demand sensitive and distinct rail service rates we refer the parties in this proceeding to the following reports and orders of the Commission: Ex Parte No. 324, *Standards and Procedures for Railroad Rates*, 355 I.C.C. 521 (1977), as modified by order served on July 20, 1977; and Ex Parte No. 331, *Procedures for Publication of Separate Rates*, 355 I.C.C. 683 (1977), as modified by order served on December 5, 1977.

NGFA maintains that the Coordinator's designation of such a proposal as calling for "liquidated damages" seems almost beside the point when one considers that the concept being advanced involves recognition of shippers' rights being enforced under tariffs filed with the Commission. Since the Commission has the power to reject, whether absolutely or conditionally, tariffs filed with the Commission, NGFA urges that the Commission attach to the filing of rail tariffs the condition that such tariffs contain self-policing clauses. NGFA sees no reason why shippers should be precluded from protection under the act in the form of self-policing tariff requirements which would impose upon carriers the very same type of penalties now imposed upon shippers. NGFA maintains that in reality what the Commission is being asked to do is to determine how many days "free time" shippers may have to load or unload cars. NGFA submits that once such a determination is made, the imposition of penalties becomes indistinguishable.

Although SHTA acknowledges a difference between shipper demurrage as opposed to reciprocal demurrage, it maintains that a plan implementing reciprocal demurrage is necessary. SHTA concurs with the Coordinator that demurrage is not a method for awarding damages, but disagrees with the Coordinator that the shippers' remedy for improper and inefficient service by the carriers is "the provisions of section 20(11) of the Act." Since the term reasonable dispatch is the governing critieria of this section of the act, and there are no freight service schedules or terminal operational schedules, SHTA notes that the cases in which a shipper may file a claim and collect against the carrier for financial loss due to improper switching, delays in switching, furnishing unfit cars for loading, et cetera, are rare. SHTA maintains that it is not as interested in damages as it is interested in the railroads maintaining efficient service or being penalized where such is not provided. In this regard, SHTA suggests that a rulemaking proceeding be instituted to adopt a plan for reciprocal demurrage which provides for penalty charges that would accrue to the Commission for investment in "Rail Box" for producing "free running" equipment as described on pages 1273 and 1274 of the Coordinator's report.

WDR is critical of NGFA's suggested type of reciprocal demurrage system because it would establish set limits on damage payments for service deficiencies without any showing of measurable injury to the affected shipper. WDR maintains that only in cases where measurable injury has been experienced is a shipper entitled to receive money damages. In comparison to the suggested reciprocal demurrage plan, WDR points out that under conventional demurrage an assessment of demurrage always results from injury to the carrier which always occurs when a shipper delays the release of a car. However, WDR notes that delays in the delivery of shipments may or may not cause injury to the shipper. In fact, WDR asserts that in some cases delays prove beneficial to the shipper. WDR further maintains that without precise schedules of operations of each carrier in each terminal, liquidated damage penalties for failure to place or pull cars within certain severe time limitations, would not be fair even assuming that all other shortcomings to such a system could be overcome.

SRS also criticizes the scheme of regulations urged by NGFA. It argues that there are some problems, such as terminal problems, which simply cannot be cured by the force of regulations.

The Coordinator considered in his report the request of Southwest Oregon Shippers Traffic Association, Inc., to implement a reciprocal demurrage plan whereby shippers would be entitled to recover from origin carriers "special monetary damages" when cars are not furnished in accordance with written car orders. NGFA's reciprocal demurrage proposal differs in that an award of damages could automatically be recovered by shippers for the failure to meet prescribed schedules for the performance of rail terminal operations. This particular proposal was not discussed by the Coordinator. However, both proposals are conceptually similar. The Coordinator recommended that the Commission not adopt a plan which calls for reciprocal demurrage. This recommendation was largely based on his conclusion that the Commission could not legally sanction such a proposal under the Interstate Commerce Act.

We cannot agree with the Coordinator's conclusion that there are legal limitations imposed upon the Commission that would preclude the adoption of an appropriate reciprocal demurrage plan. Under an appropriate plan, reciprocal demurrage payments to shippers would not represent liquidated damages, nor expand or limit a carrier's liability under section 20(11) of the act. The reciprocal demurrage would represent penalty charges resulting from inefficient operating practices by management and be necessary to induce a carrier to provide better service.

We recognize that the primary concern of shippers is that the railroads provide efficient rail freight service. Our findings, with respect to the establishment of minimal capability performance standards for terminal operations and with respect to the publication of freight schedules between major terminals and interchange points, constitute a step in the type of affirmative action the Commission should take to contribute to the promotion of better rail service in the interests of shippers and rail carriers alike. In addition, the Commission will take all necessary steps to improve service, including further consideration of implementing a reciprocal demurrage plan. However, we will not at the present time make any findings on the appropriateness of the particular reciprocal demurrage plans suggested by the parties in this proceeding.

CONCLUSIONS AND FINDINGS

Upon consideration of all the evidence of record, we find that it is necessary for the Commission to take affirmative action to improve rail freight service quality and reliability. Towards this end, the Commission shall institute a rulemaking proceeding to adopt a general terminal service formula establishing minimal capability performance standards governing the transportation of nonperishable commodities. In addition, service studies at major terminals shall be conducted by the railroads under the supervision of the Commission 180 days after terminal operations regulations go into effect. We believe that the establishment of minimal capability performance standards in a defined context will provide railroad management with further incentive to commit themselves actively to resolving reliability problems. The service studies will enable the Commission, the carriers, and the shipping public to evaluate the effectiveness of the implemented performance standards.

We further find that it is in the public interest to require publication of railroad tariffs setting forth operating schedules between major terminals and interchange points. If the railroads do not comply by publishing operating schedules, the Commission will take such further action as may be necessary.

We further find that the BOp-105 complaint procedure and that the quarterly service reports filed with the Commission by railroad respondents pursuant to the Commission's order, dated March 4, 1971, in Ex Parte Nos. 265 and 267, *supra*, and by subsequent outstanding orders of the Commission, shall be discontinued.

We further find that this decision is not a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969.

An appropriate order will be entered.

By the Commission, Chairman O'Neal, Vice Chairman Christian, Commissioners Murphy, Brown, Stafford, Gresham, and Clapp, Commissioner Clapp absent and not participating.

APPENDIX A

The ultimate findings of the Coordinator were as follows:

(1) That the Interstate Commerce Commission has jurisdiction under section 1 (particularly subsections (4), (10), (11), (13), (14), (15), and (21), 12(1), 13, 15, and 15a of the Interstate Commerce Act, and the provisions of the national transportation policy (49 U.S.C. preceding §1), to conduct the investigation into deficiencies in rail freight service and to make appropriate findings;

(2) That freight service provided by railroads subject to the part I of the Interstate Commerce Act is not sufficient to meet the demands of shippers to the extent set forth in this report and that recommendations made with respect to improving that service are reasonable, necessary, otherwise lawful, and required in the public interest;

(3) That each railroad subject to part I of the Interstate Commerce Act should be requested to prepare and publish service schedules as described in this report;

(4) That schedules for the movement of empty cars are not required at this time;

(5) That the nature, scope, and cost of the continuing data needs of the Commission with respect to railroad freight service must be greatly extended and additional

appropriations should be sought to enable the collection of sufficient information to permit more affirmative action by this Commission, particularly in light of the parties' inability or unwillingness to provide the requisite information;

(6) That the proposal urging the Commission to adopt a plan of reciprocal demurrage should be rejected;

(7) That the proposal that the Commission further define the term "reasonable dispatch" insofar as it pertains to the transportation of nonperishable property by railroads subject to part 1 of the Interstate Commerce Act should be deferred until Ex Parte No. 284 has been finally resolved;

(8) That the proposal that the Commission establish an alternative rate structure under which standards of performance would be governed by the legal consideration of "reasonable dispatch" with respect to normal service and that a higher level of rates be authorized for service performance of a higher quality as determined by controlled standards achievable by efficiently operated railroads should be rejected;

(9) That the proposal that each railroad subject to part 1 of the Interstate Commerce Act should be required to prepare and file with the Commission schedules pertaining to terminal operations, should be the subject of a rulemaking proceeding;

(10) That the proposal that a certain proportion of funds derived from future rate increases should be earmarked, allocated, and expended for the purpose of improving the supply and condition of equipment of railroads subject to part 1 of the Interstate Commerce Act should be rejected pending final determination of the Commission's jurisdiction in the courts;

(11) That discontinuance of the program for filing service complaint reports (form BOp 105) is warranted;

(12) That proposals that the Commission sponsor shipper-carrier conferences to assure the interchange of information with respect to rail freight service and the quality of it should be deferred subject to the qualifications set forth in this report;

(13) That the areas of (a) contract rates for rail service, (b) assigned and special car allocation, (c) circuitous routing of freight cars, (d) billing and forwarding information, (e) demurrage and free-time allowances, (f) electrification of rail lines, and (g) the use of "short train" are now under study in other proceedings or are recommended for continued monitoring or study for possible future corrective action;

(14) That this report does not constitute major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969.

APPENDIX B

Section 1039. *Terminal Operations Performance Standards for Non Perishable Service.*—(a) Performance of transportation within the standard for nonperishable service consists of the completion by the carrier within the usual and customary period but not in excess of twenty-four (24) hours of each of the following functions, unless subject to exceptions authorized in paragraph (b) below.

(1) Removal of a loaded car from the track serving the shipper and forwarding from origin in line-haul service or delivery to a connection at origin after loading is completed and instruction sufficient for forwarding are furnished the carrier, exclusive of Saturdays, Sundays, and holidays.

(2) Forwarding of a loaded car from any yard or interchange connection between origin and destination.

(3) Delivery of a loaded car to a connecting line after arrival at an interchange point.

(4) Actual or constructive placement of a loaded car after arrival at destination when on the line of the carrier directly serving the consignee; exclusive of Saturdays, Sundays, and holidays.

(5) Loaded cars held at destination for accessorial terminal services described in the applicable tariffs, such as holding for orders or inspections, shall be placed on unloading, hold, or inspection tracks, and proper arrival or constructive placement notice will be issued, exclusive of Saturdays, Sundays, and holidays.

(6) Empty cars must be removed from point of unloading or interchange tracks of industrial plants within the required time, following unloading or release by consignee or shipper, unless such empty cars are ordered or appropriated by the shipper for reloading within the required period of time, exclusive of Saturdays, Sundays, and holidays. Empty cars shall be forwarded within the required period of time.

(7) Cars held for light repairs shall be placed on repair tracks not later than the first 7 a.m., after time carded for repairs, or after arrival at point where repairs are performed, exclusive of Saturdays, Sundays and holidays.

(8) Completion of light repairs to a car shall be accomplished within required time. Light repairs are those which can be accomplished in twenty (20) man-hours or less.

(9) The shipper must be notified within twenty-four (24) hours, exclusive of Saturdays, Sundays, and holidays of cars delayed for repairs.

(b) Exceptions: (1) At points at which less than daily train, switching, or repair service is provided, compliance with the standards required by these regulations shall be deemed to have been accomplished if service is provided on the next day on which such services are performed. (2) Exceptions may be authorized by the Railroad Service Board and become effective on the date such exceptions are published in the Federal Register. Notice of such exceptions must be posted in the offices of the carrier from which arrival notices are sent or given. (3) Empty cars owned by and leaving the registered reporting marks assigned to the line holding the car, and empty cars of private ownership reported and awaiting instructions from the car owner, are excluded from the requirements of paragraph (a)(6), (a)(7), and (a)(8).

APPENDIX C

The suggested draft format set out below for use in gathering terminal service information will allow the Commission to determine under what circumstances and to what degree a delay results from a particular railroad operation at a major terminal. A car becomes available for handling in a terminal when it is received either (1) from a line-haul (2) from a switch movement, (3) from a connecting carrier in interchange, (4) after being released from an industry, or (5) after being released from a terminal service. Upon receipt of the car, it will be handled either by (1) forwarding in a line-haul movement, (2) forwarding in a switch movement, (3) delivery to a connecting line interchange, (4) placement at an industry, or (5) forwarding to or from a terminal service (this includes such functions as weighing, inspection, repairs, cleaning, et cetera). We believe that the suggested terminal study format is a simple form which will provide necessary information for a valid data base on terminal operations associated with all of the above aspects of terminal movement. In addition to car in and car out data the suggested format would provide data on the time used by shippers loading and unloading cars and time consumed in providing terminal services, whenever applicable. The test method and time period for sampling will be determined by the Commission, depending upon the individual terminals selected for study.

Suggested Terminal Study Form

1. Car initial and number ______

2. Load or empty ______

3. Car arrived terminal or available for movement`(date and hour) ______

4. Arrived or available from:

—— Line-haul —— Switch movement —— Interchange connection

—— Terminal service: weighing, inspection, repair, cleaning, et cetera

—— Released from industry —— Released from terminal service

5. Car forwarded (date and hour) ______

6. Car forwarded:

—— In line-haul —— In switch movement —— To interchange connection

—— To industry placement —— Sent for terminal service

7. If car placed at industry, car released (date and hour) ______

8. If car sent to terminal service, car available for further movement (date and time)

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9. Additional Comments:

APPENDIX D

The exceptions of the parties touched upon a number of other issues raised and discussed by the Coordinator in his report.

1. *Labor-management relations.*—Although SPS acknowledges the fact that the Commission has no direct jurisdiction over labor-management relations, it agrees with the Coordinator that the time is ripe for an indepth analysis of labor management relations. To the extent that the Commission has the duty to determine whether the revenue needs of railroads are consistent with the provision of adequate and efficient service under honest, economical, and efficient management, SPS asserts that the Commission has the authority and obligation to look into the question of the impact of labor contracts, work rules, and wage levels on the ability and willingness of labor

and management to conduct essential operations in an economical and efficient manner. Therefore, SPS recommends that the Commission require the railroads to submit for study a description of those work rules which, in their judgment, conflict with the optimum management of the rail transportation system, and impose additional costs upon carriers.

The railroads (SRS, Seaboard, WDR) criticize the SPS recommendation in the area of labor management relations. They acknowledge that there are labor relations problems in the rail industry, but maintain that the difficulties do not affect the quality of service and, accordingly, are not matters for our investigation. Furthermore, they see no purpose to be gained from furnishing extensive data because the Commission lacks the authority and power to deal constructively with labor relations problems.

The Coordinator's report reflects on the impact of labor-management relations on possible improvement of rail service. As the Coordinator noted, labor contracts, work rules, and wage levels bear directly upon both the ability and willingness of railroad labor and management to conduct various essential operations. However, we cannot agree with SPS that the Commission should require the railroads to submit descriptions of work rules. Labor-management relations are not only beyond the Commission's direct jurisdiction, but are also unquestionably beyond the Commission's competence to assess them.

However, we note our agreement with the Coordinator that labor-management relations in the rail industry should be of high national priority. Therefore, the Commission will assist all parties to the extent possible and will endorse efforts, such as The St. Louis Terminal Project described in the Coordinator's report, which seek to improve service through implementation of innovative labor practices.

2. *Circuitous routing.*—GMI qualifies its concurrence with the Coordinator's comments, and points out that a load to load cycle is not always lengthened by a circuitous route. GMI states that the shortest load to load cycle time can be obtained from circuitous routing if the other variables of the route move the car fast or more reliably than a direct route. GMI also asserts that some of the most circuitous routes reflect the "long-haul revenue syndrome" of the carriers and are not caused by shipper discretion. GMI maintains that full correction of the "long-haul revenue syndrome" probably requires the restructuring of the railroad industry into fewer railroads, a subject outside the context of this particular proceeding.

SPS agrees with the Coordinator's recommendation of a staff study dealing with the circuitous routing of freight cars and its effect on the shippers' statutory right to designate routes. However, SPS recommends that the Commission seek a more immediate solution to the problem of circuitous routing by formulating evidentiary rules relating to route closings. These evidentiary rules would specifically define the carriers' burden of proving that cancellation of a route is in the public interest. A carrier would establish a *prima facie* case by showing that the routes to be retained are shorter, more direct, and less costly than the routes to be closed. This evidence could be rebutted by showing that the routes remaining open do not adequately meet shipper requirements or that the effect of a route closing on the revenue of other carriers would not be offset by the economy and efficiency of operation it would permit. SPS emphasizes that its proposal does not change the burden of proof but gives a clear definition of when that burden is met.

SRS, Seaboard, and WDR oppose the adoption of SPS's proposed evidentiary rules. SRS and WDR do not feel that circuitous routing is necessarily an impediment to quality service, noting that many factors other than distance determine service reliability. SRS argues that SPS's proposal oversimplifies the problem and would have the inevitable effect of decreasing competition. It maintains that section 203 of the 4R Act is an adequate means of handling the problem.

WDR also note that many routes are held open as conditions to merger proceedings. Their closing could result in violations of the merger conditions and could not be permitted regardless of the money and time savings which could result. In this regard Seaboard argues that the evidentiary rules proposed by SPS would not only be meaningless, but would impose additional hardships and competitive disadvantages upon carriers that are constrained by merger conditions unless the carriers were afforded concurrent relief such as: (a) a proposal to cancel a route which is part of a merger condition would not add to the carrier's burden of proof as described by SPS but would constitute a defense to the approval of such a proposal, and (b) where a carrier proposed to cancel some of its nonmerger or nonmerger related routes, another carrier may insist upon cancellation of other merger or merger related routes as a condition precedent to Commission approval of such a proposal.

The Coordinator's remarks on circuitous routing may be misleading in that they refer principally to the costs, in money and efficiency, of deliberate circuitous routing. We are aware that some types of circuitous routing are due to unbalanced traffic flows, the use of one-way cars, or other situations beyond the carrier's control. In some instances, more circuitous routing may be as efficient as shorter routes, and we acknowledge the parties' comments to this effect.

In view of the amendment to section 15(3) of the act by section 203 of the 4R Act,[1] which includes much of the suggestion made by SPS, we do not feel that any further action is necessary in this proceeding regarding circuitous routing.

3. *Car clearing obligations.*—In response to the comments made by the Coordinator regarding freight car adequacy, the SPS recommends that the Commission request evidence of the extent to which consignees have complied with the Commission's decision in *Consignees' Obligation to Unload Rail Cars*, 340 I.C.C. 405 (1972). This decision held that the consignee has the duty to remove all dunnage, debris, and other foreign matter connected with the inbound load. In reply to SPS's recommendation, WDR note that evidence of the condition of freight cars released by consignees after unloading is available through the use of Commission agents and car service representatives. WDR maintain that Elkins Act suits brought against consignees for not complying with their car clearing obligations would be a better procedure than SPS's suggestion.

In the past, the Commission's field staff has conducted several intensive compliance programs to insure that consignees and carriers are observing their obligations. While these programs have met with success, it is clear that the problems involved are of a recurring nature. At the present time, however, it would not be productive to require information on compliance from consignees as SPS suggests. The Commission's field staff is aware of the continuing and recurring problems with car clearing obligations, some shippers fail to unload completely commodities and other materials connected with an inbound load and some carriers remove cars which contain debris from points of unloading. We know of the problems in this area and our field staff shall continue to monitor the situation.

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[1] Section 203 of the 4R Act amends section 15(3) by adding the following at the end:

> "With respect to carriers by railroad, in determining whether any such cancellation or proposed cancellation is consistent with the public interest, the Commission shall, to the extent applicable, (a) compare the distance traversed and the average transportation time and expense required using the through route, and the distance traversed and the average transportation time and expense required using alternative routes, between the points served by such through route, (b) consider any reduction in energy consumption which may result from such cancellation, and (c) take into account the overall impact of such cancellation on the shippers and carriers who are affected thereby."

4. *Assigned and special car allocations.*—GMI disagreed with the Coordinator's statement (at page 1307 of his report) that "the uneconomical one-way haul which results from the existence of assigned and special cars should be eliminated so that the nation's transportation resources can be put to full use." GMI suggests that a one-way haul is not per se an identification of an uneconomical haul, but that the productivity and profit contribution of a freight car is of much greater significance. Thus, GMI maintains that assigned and special car allocations should meet or exceed the productivity and profit performance of "free running" and general purpose freight cars, and should only be considered uneconomical when they do not meet or exceed that performance level.

We do not believe that the Coordinator's statement precludes the point raised by GMI. We agree that one-way hauls may be uneconomical, and, when they are, should be eliminated.

5. *"Short Trains."*—The Coordinator found that the use of "short trains" is under study in other proceedings and recommended continued monitoring or study for possible corrective action, as shown to be necessary. SHTA expresses its disappointment that the Coordinator took no further positive steps to assure that this tool would be adopted by class I railroads. SHTA notes that it has long advocated the use of "short trains" as a means toward better service, less congestion in the terminals, and, with retraining of excess train crews, more effective use of labor and excess personnel due to railroad mergers and consolidations. While SHTA recognizes that each railroad may have somewhat different circumstances and conditions to cope with, particularly in the area of labor-management negotiations, it maintains that the Commission should lend its offices toward implementing this "short-train" concept by a more positive approach than that taken by the Coordinator.

We agree with SHTA that the use of short trains should be considered as a possibly more efficient use of equipment and personnel, and we urge carriers and shippers alike to study this concept. However, we agree with the Coordinator that further positive action is not necessary at the present time, although the concept will have our continuing attention for possible action in the future.

DECISION

EX PARTE NO. 270 (SUB-NO. 2)

INVESTIGATION OF RAILROAD FREIGHT SERVICE

Decided June 19, 1978

In a report and order served April 2, 1976, 345 I.C.C. 1224, the Commission's Coordinator concluded his investigation into alleged and admitted deficiencies into railroad freight service and other related matters. Among his findings was that freight service provided by railroads subject to part 1 of the Interstate Commerce Act was not sufficient to meet the reasonable demands of the shipping public. The Commission's Coordinator made recommendations concerning action the Commission should take in order to better rail freight service quality and reliability. Exceptions to the Coordinator's report and replies thereto were filed by various railroad respondents, shipper interests, and by the Special Projects Staff.

After considering all the evidence, including the exceptions and replies filed by the parties to the Coordinator's report, the Commission entered its report on reconsideration, which report is made part of this order. The Commission concluded that a rulemaking proceeding, as recommended by the Coordinator, should be instituted to adopt a general terminal service formula which would establish minimal capability performance standards governing the transportation of nonperishable commodities. The general terminal service formula suggested by the Coordinator was revised to reflect the format of similar rules adopted for perishable commodities in Ex Parte No. 284, *Need For Defining Reasonable Dispatch*, 351 I.C.C. 812 (1976), as modified by 355 I.C.C. 162 (1977). In addition, the Commission concluded that service studies at major terminals should be conducted by the railroads 180 days after the terminal service formula goes into effect. The Commission indicated that in the forthcoming rulemaking proceeding it would entertain suggestions and comments as to what major terminals should come under study and what format and procedure should be followed in conducting the studies. A format for gathering relevant service activity information was suggested by the Commission.

The Commission further found that it was in the public interest to require publication of railroad tariffs setting forth operating schedules between major terminals and interchange points. If the carriers do not comply by publishing operating schedules within 210 days, the Commission will take such further action as may be necesary.

The Commission also found that the BOp-105 complaint procedure and that the filing of quarterly service reports with the Commission by railroad respondents pursuant to the Commission's order dated March 4, 1971, in Ex Parte Nos. 265 and 267, *Increased Freight Rates, 1970 and 1971*, 339 I.C.C. 125 (1971), and subsequent outstanding orders of the Commission, shall be discontinued.

A rulemaking proceeding shall be instituted to adopt a terminal service formula governing the transportation of nonperishable commodities and to entertain suggestions and comments as to what major terminals should come under study and what format and procedure should be followed in conducting service studies 180 days after a terminal service formula goes into effect. Tariffs setting forth operating schedules between major terminals and interchange points shall be published within 210 days.

The Commission has endeavored to render a final decision in this proceeding within the time periods specified in section 17(9)(c). However, delays were incurred due to the complexity of the proceeding and because of our efforts to ensure consistency between this decision and related proceedings implementing in the Railroad Revitalization and Regulation Reform Act of 1976. In order to resolve this matter, a *nunc pro tunc* extension to the date of service of this order is warratned under the provisions of sections 17(9)(e) and (f).

It is ordered:

An extension in this proceeding to the date of service of this decision is granted *nunc pro tunc*.

This proceeding is discontinued.

By the Commission, Chairman O'Neal, Vice Chairman Christian, Commissioners Murphy, Brown, Stafford, Gresham, and Clapp. Commissioner Clapp absent and not participating.

NOTICE OF PROPOSED RULEMAKING

TITLE 49 - TRANSPORTATION
CHAPTER X - INTERSTATE COMMERCE COMMISSION
SUBCHAPTER A - GENERAL RULES AND REGULATIONS

EX PARTE NO. 344

TERMINAL PERFORMANCE STANDARDS GOVERNING THE TRANSPORTATION OF NON-PERHISABLE COMMODITIES

AGENCY: Interstate Commerce Commission

ACTION: Notice of Proposed Rulemaking

SUMMARY: This document proposed new regulations establishing performance standards governing the transportation of nonperishable commodities. The performance standards will require a rail carrier to complete certain designated terminal operations within maximum twenty-four- (24-) hour periods. The purpose of the proposed regulations is to facilitate prompt and reliable transportation of nonperishable commodities by railroads. Terminal service studies will be conducted 180 days after the adoption of terminal operations regulations.

DATES: Comments must be received on or before 30 days from the date of publication in the Federal Register of this notice.

ADDRESSES: Send comments to:
Office of Proceedings
Interstate Commerce Commission
Washington, D.C. 20423

FOR FURTHER INFORMATION CONTACT:
Janice M. Rosenak, Deputy Director, or
Harvey Gobetz, Assistant Deputy Director
Section of Rates, Office of Proceedings
Interstate Commerce Commission
Washington, D.C. 20423 (202-275-7693)

SUPPLEMENTARY INFORMATION:

In Ex Parte No. 270 (Sub-No. 2), *Investigation of Railroad Freight Service*, the Commission, in a decision entered June 19, 1978, considered recommendations made by the Commission Coordinator in a prior report, 345 I.C.C. 1224, concerning action the Commission should take in order to better rail-freight service quality and reliability.

The Commission determined that it was in the public interest to institute a rulemaking proceeding to establish performance standards governing terminal operations in the transportation of nonperishable commodities. The proposed regulations establish nine performance standards under which specific terminal operations are to be accomplished within a given railroads "usual and customary time," but not in excess of 24 hours. In addition, the proposed regulations allow for flexibility in resolving specific problems that may arise in certain terminal areas without abandoning the concept of service standards. In instances where carriers are confronted with a situation where the regulations would impose unreasonable requirements, the Railroad Service Board would be authorized to grant exceptions which would become effective on the date published in the Federal Register. The establishment of minimal capability standards in a defined context should provide railroad management with further incentive actively to commit themselves to resolving reliability problems.

The Commission also concluded that service studies at major terminals should be conducted by the railroads 180 days after terminal regulations go into effect. The purpose behind these service studies would be to evaluate the effectiveness of the implemented performance standards. The Commission stated that it would entertain suggestions and comments as to what major terminals would come under study and what format and procedure should be followed in conducting the studies. A format for gathering relevant service activity information was suggested by the Commission.

Accordingly, it is the purpose of this notice to initiate such a rulemaking, inform all interested parties of its scope, and invite comments. If participants in this proceeding object to particular provisions of the proposed regulations, they are urged to state their objections with specificity and to propose alternative solutions and draft provisions. The parties are also invited to submit their comments of the proposed terminal service studies.

The proposed rulemaking does not appear to constitute a major Federal action requiring preparation of an environmental impact statement under the procedures of the National Environmental Policy Act of 1969, 42 U.S.C. section 4321, *et seq.* However, comments regarding environmental issues, if any, should be included in statements filed with the Commission in response to this notice.

It is ordered:

1. A rulemaking proceeding is instituted with the objective of adopting performance standards governing terminal operations in the transportation of nonperishable commodities.

2. All rail common carriers are made respondents to this proceeding.

3. Respondents and other interested persons will file an original and 15 copies (if possible) of their views at the dates and places noted above.

4. To expedite procedures and to avoid the delay and expense associated with cross service of pleadings by parties on each other, we only require that the above views and comments be filed with this Commission, one set of which will be available in the Secretary's Office for public inspection during regular business hours of the Commission. Since this is not an adversary proceeding, the filing of replies to the views and comments is not necessary.

The notice of proposed rulemaking is promulgated pursuant to authority under 49 U.S.C. sections 304(a)(1) and 304(a)(6), 49 U.S.C. sections 1003(a) and 1012(a), and 5 U.S.C. sections 553 and 559, and was adopted formally at a General Session of the Interstate Commerce Commission on June 19, 1978.

By the Commission, Chairmain O'Neal, Vice Chairman Christian, Commissioners Murphy, Brown, Stafford, Gresham, and Clapp. Commissioner Clapp absent and not participating.

APPENDIX A

The Commission proposes to supplement Title 49 of the Code of Federal Regulations by adding TERMINAL OPERATIONS PERFORMANCE STANDARDS FOR NON-PERISHABLE SERVICE. The regulations will read as follows:

Section 1039. *Terminal Operations Performance Standards for Non-Perishable Service.*—(a) Performance of transportation within the standard for nonperishable service consists of the completion by the carrier within the usual and customary period but not in excess of twenty-four (24) hours of each of the following functions, unless subject to exceptions authorized in paragraph (b) below.

(1) Removal of a loaded car from the track serving the shipper and forwarding from origin in line-haul service or delivery to a connection at origin after loading is completed and instruction sufficient for forwarding are furnished the carrier, exclusive of Saturdays, Sundays, and holidays.

(2) Forwarding of a loaded car from any yard or interchange connection between origin and destination.

(3) Delivery of a loaded car to a connecting line after arrival at an interchange point.

(4) Actual or constructive placement of a loaded car after arrival at destination when on the line of the carrier directly serving the consignee; exclusive of Saturdays, Sundays, and holidays.

(5) Loaded cars held at destination for accessorial terminal services described in the applicable tariffs, such as holding for orders or inspections, shall be placed on unloading, hold, or inspection tracks, and proper arrival or constructive placement notice will be issued, exclusive of Saturdays, Sundays, and holidays.

(6) Empty cars must be removed from point of unloading or interchange tracks of industrial plants within the required time, following unloading or release by consignee or shipper, unless such empty cars are ordered or appropriated by the shipper for reloading within the required period of time, exclusive of Saturdays, Sundays, and holidays. Empty cars shall be forwarded within the required period of time.

(7) Cars held for light repairs shall be placed on repair tracks not later than the first 7 a.m., after time carded for repairs, or after arrival at point where repairs are performed, exclusive of Saturdays, Sundays and holidays.

(8) Completion of light repairs to a car shall be accomplished within required time. Light repairs are those which can be accomplished in twenty (20) man-hours or less.

(9) The shipper must be notified within twenty-four (24) hours, exclusive of Saturdays, Sundays, and holidays of cars delayed for repairs.

(b) Exceptions: (1) At points at which less than daily train, switching, or repair service is provided, compliance with the standards required by these regulations shall be deemed to have been accomplished if service is provided on the next day on which such services are performed. (2) Exceptions may be authorized by the Railroad Service Board and become effective on the date such exceptions are published in the Federal Register. Notice of such exceptions must be posted in the offices of the carrier from which arrival notices are sent or given. (3) Empty cars owned by and leaving the registered reporting marks assigned to the line holding the car, and empty cars of private ownership reported and awaiting instructions from the car owner, are excluded from the requirements of paragraph (a)(6), (a)(7), and (a)(8).

APPENDIX B

The suggested draft format set out below for use in gathering terminal service information will allow the Commission to determine under what circumstances and to what degree a delay results from a particular railroad operation at a major terminal. A car becomes available for handling in a terminal when it is received either (1) from a line-haul (2) from a switch movement, (3) from a connecting carrier in interchange, (4) after being released from an industry, or (5) after being released from a terminal service. Upon receipt of the car, it will be handled either by (1) forwarding in a line-haul movement, (2) forwarding in a switch movement, (3) delivery to a connecting line interchange, (4) placement at an industry, or (5) forwarding to or from a terminal service (this includes such functions as weighing, inspection, repairs, cleaning, et cetera). We believe that the suggested terminal study format is a simple form which will provide necessary information for a valid data base on terminal operations associated with all of the above aspects of terminal movement. In addition to car in and car out data the suggested format would provide data on the time used by shippers loading and unloading cars and time consumed in providing terminal services, whenever applicable. The test method and time period for sampling will be determined by the Commission, depending upon the individual terminals selected for study.

Suggested Terminal Study Form

1. Car initial and number ______________________________

2. Load or empty ______________________________

3. Car arrived terminal or available for movement (date and hour) __________

4. Arrived or available from:

—— Line-haul —— Switch movement —— Interchange connection

—— Terminal service: weighing, inspection, repair, cleaning, et cetera

—— Released from industry —— Released from terminal service

5. Car forwarded (date and hour) ______________________________

6. Car forwarded:

—— In line-haul —— In switch movement —— To interchange connection

—— To industry placement —— Sent for terminal service

7. If car placed at industry, car released (date and hour) ______________

8. If car sent to terminal service, car available for further movement (date and time)

____

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EX PARTE NO. 270 (SUB-NO. 9)

INVESTIGATION OF RAILROAD FREIGHT RATE STRUCTURE—GRAIN AND GRAIN PRODUCTS

Decided February 1, 1979

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1. **Technological developments have substantially enhanced the capability of motor and barge carriers in some areas to move grain and grain related traffic.**
2. **The presence of this competition necessitates revisions in the grain rate structure, including the elimination or curtailment of transit in the line-haul rate and the greater use of mileage scale rates, to align rail rates more closely with costs.**
3. **Such action directed toward more cost-oriented ratemaking is needed to improve the financial condition of railroads and to enable them as a group to compete more effectively as well as constructively with motor and barge competition for the grain traffic.**
4. **Including a charge for transit in the line-haul rate is a significant obstacle to cost-oriented ratemaking, and its benefits are outweighed today by the extent that it inhibits the more cost-oriented pricing needed by the railroads.**
5. **Commission action is needed to advance the publication of separate rates for distinct rail services involving grain, especially transit and inspections.**
6. **That (in addition to cost-oriented rates) improvements in car supply and service are needed generally to enhance the railroads' ability to meet barge and motor competition.**
7. **Grain traffic is demand sensitive and, to some extent seasonal in nature and an inadequate car supply during the peak season is an important factor contributing to diversion.**
8. **That the publication of seasonal and demand-sensitive rates has been limited despite their significant promise in improving car supply and service, and that some incentive is needed to encourage their publication.**
9. **That general increases may at time irreversably precipitate diversion and, for this reason, selective rate adjustments should be encouraged.**
10. **That differing rates on domestic and export grain movements may no longer be justified and that readdressing this matter in the light of current economic conditions is appropriate.**
11. **That comment should be requested on what action is appropriate to expedite incorporation into the grain rate structure of: (a) greater use of seasonal and demand-sensitive rates; (b) separate rates for distinct rail services especially transit; and (c) appropriate domestic and export rate relationships in view of *today's* economic conditions.**

Edgar R. Alley, Sr., Ralph O. Avery, H. B. Barnes, R. B. Batchelder, John J. Burchell, Richard H. Burn, Leo B. Cain,

Norman L. Chervany, Charles P. Connolly, Charles G. Culek, John A. Daily, John H. Doeringer, Herbert M. Edelmann, E. J. Elliott, William C. Farris, Jr., Donald R. Finely, Gilbert A. Gillette, Lloyd J. Gilmore, George W. Guthrie, Thomas J. Halpin, E. F. Head, W. T. Henahan, Peter J. Hunter, Rodger K. Johnson, Frank A. Kilian, Wayne H. Lane, Ross B. Luitgens, Charles N. Marshall, M. K. Martin, Don McDevitt, Christopher A. Mills, Andrew T. Nelson, Harold J. Ness, Dr. John Neter, Patrick R. O'Brien, R. W. Parsons, William J. Pascrell, Leroy E. Peabody, Jr., C. Harold Peterson, William R. Power, Wandaleen Poynter, Thomas E. Sellinger, John S. Smith, Ray H. Smith, Francis M. Spuhler, Edward H. Stewart, Jr., Donal L. Turkal, Ray M. Vanhook, Lloyd L. Wasnick, Richard E. Weicher, and *L. L. VanZinderen* for the class I railroads of the United States.

William R. Allen, Jr., R. D. Angel, T. Scott Bannister, Carl L. Brennan, Albert J. Carr, Ray Carter, James W. Coddington, Laurence M. Commerce, M. D. Dyer, E. J. Hanson, Thomas M. Hamilton, William J. Harding, J. C. Harper, Robert E. Harridge, John E. Harvey, W. H. Hollan, Fred H. Husbands, James, J. Irlandi, Hilliard Jackson, D. R. Johnson, J. F. Kaufman, Sam Kuhl, Carl J. Lessing, Robert J. Lighthall, James R. Mann, Eugene Mielke, W. R. Morrison, Lowell W. Morse, Raymond R. Nolen, John W. Nutt, George Odegaard, Larrie D. Owen, J. E. Phelan, Robert P. Post, Richard W. Remmert, John W. Rice, Jon R. Roy, J. Rubel, Robert E. Sanders, Gary Schneider, Cal Skinner, Sr., Y. F. Snodgrass, Gerald E. Stitt, William H. Tipps, Fred H. Tolan, Albert N. Wake, W. B. Walker, Archie T. Walters, Jack Whetstone, Vern Wills, B. C. Worley, and *Henry J. Yunck* for shippers/receivers.

Charles M. Pearson and *Michael E. Sullivan* for United States Department of Agriculture.

William R. Southard, Gilbert A. Mehling, Joseph C. Lynch, and *Hydee C. Thompson,* for the Special Projects Staff, Bureau of Investigations and Enforcement.

Thomas B. Mick and *William P. Spencer* for the Colorado Wheat Administrative Committee.

Lee M. Rife for Illinois Department of Agriculture.

Maxine Bennett and *L. W. Schaller* for State of Indiana.

T. Scott Bannisten, Ronald D. Berkland and *Robert S. Steiner* for Iowa Department of Transportation.

Lawrence J. Anderson for State of Minnesota, Department of Public Service.

James B. Boillot for Missouri Department of Agriculture.

John C. Doubek for Montana Consumer Counsel.

Gene J. Carroll for Montana Department of Agriculture, Montana Wheat Research and Marketing Committee and Montana Grain Growers Association.

Gordon E. Bollinger and *James C. Paine* for Montana Public Service Commission.

Bruce Hagen and *George H. Morin* for Public Service Commission, North Dakota.

J. I. Finsness, Ronald G. Fraase, Gene C. Griffin, and *Robert J. Tosterud* for North Dakota State Wheat Commission.

Eugene P. Springer for Public Utilities Commission of the State of South Dakota.

Joseph Francis for Utah Agricultural Development Council, Utah Department of Agriculture.

Robert H. Smith for the Seaway Port Authority of Duluth.

Robert W. Barclay for Brown County Board of Harbor Commissioners for the Port of Green Bay, Wisconsin.

George E. Strange for the Houston Port Bureau, Inc.

Frank C. Brooks and *Wayne C. Page* for Neuces County Navigation District No. 1.

G. B. Perry for the New Orleans Traffic and Transportation Bureau.

Frank E. Polom, Harold E. Spencer and *Raleigh B. Wilson* for The Board of Trade of the City of Chicago.

Robert E. Smith for the Duluth Board of Trade.

Joe Neal Hampton for the Enid Board of Trade.

C. G. Mathews for the Fort Worth Grain Exchange.

Jon C. Hansen for the Board of Trade of Kansas City, Missouri, Inc.

Dudley J. Russell for the Minneapolis Grain Exchange.

R. R. Hughes for the Sioux City Grain Exchange.

DECISION OF THE COMMISSION

BY THE COMMISSION:

By order of May 9, 1975, this investigation was initiated. Opening and reply statements were filed in due course.[1] On September 13,

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[1] Parties submitting evidence and abbreviations used for them are set forth in appendix A.

1977, a hearing was held before an Administrative Law Judge in Washington, DC, at which it was decided that a determination would be made on the evidence and arguments previously submitted.

This proceeding was initiated to examine the rail rate structure on grain and grain products, an immense undertaking. The intent was to concentrate on the possible self-defeatng nature of general rate increases, disparities and distortions resulting from the application of general rate increases along with the their uneven effects on individual railroads, and the effect of such general rate increases on carrier incentive to improve service commensurate with shipper requirements.

Evidence submitted in this proceeding as well as the congressional policies enunciated in the Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act) warrant significant revisions in the grain rate structure.

To provide background and facilitate an understanding of the need for the type revisions found appropriate, we shall briefly highlight American grain production and marketing as well as the development of and trends in today's rate structure on grains and grain products. A glossary of terms being used in this discussion is included as appendix B.

I

OVERVIEW

According to the United States Department of Agriculture (USDA) American farms produce enough grain to feed all Americans and to export nearly 60 percent of U.S. wheat and rice, nearly 50 percent of the soybeans, 25 percent of the grain sorghum, and a little over 20 percent of the corn produced in this country. While the total number of farms has decreased during the past several decades, overall production, yield per acre, and workforce productivity have increased appreciably. These increases are attributable to technological developments such as greater fertilizer use, improved tillage methods, product specialization and the general development of hybrid seed.

Certain American grain crops are grown nationwide, while others, because of climate, rainfall, or other factors, are grown only in specific regions.

II

PRODUCTION PATTERNS

A. Wheat

Wheat is grown in most States, with the heaviest concentration in the Great Pacific Northwest. Wheat may be divided into five classes, each grown in a separate part of the country and for a particular wheat product. ***Hard red winter*** wheat, grown in the southern Great Plains, and ***hard red spring*** wheat, grown in the northern Great Plains, are milled in to bread flour. ***Soft red winter*** wheat, grown East of the Great Plains region, and ***white*** wheat, predominantly produced in California, Michigan and the Pacific Northwest, are used for quick breads, pastries and crackers. ***Durum*** wheat, principally grown in North Dakota, is used for making semolina, from which spaghetti and macaroni are produced.

The production of wheat in this country has increased tremendously since 1966.

This increase made possible a dramatic increase in exports. Exports during the 1972-74 marketing years, for example, averaged 60 percent above the 1965-69 period, while, for comparison, domestic use for food purposes increased only 2 percent. The USDA indicates that the revenue received by farmers for wheat production was depressed until 1973 when the price of wheat increased 225 percent over the 1972 price. During 1974, the price was 230 percent of the 1972 price.

B. Other crops

Corn is the leading U.S. crop in terms of production and value. Production is concentrated in Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin. ***Sorghum*** is grown primarily in Kansas, Nebraska, Oklahoma, and Texas. ***Barley*** is grown in the West with California, Minnesota, Montana, and North Dakota the leading producing States. ***Oats*** are grown throughout the northern Great Plains, the corn producing States, and the States bordering the Great Lakes, while ***rye*** is grown mainly on the Great Plains. ***Soybean*** production is concentrated in the Corn Belt, with production also along the Mississippi to the Gulf and throughout the South. Finally, ***rice*** is concentrated in the Corn Belt, with production also occurring along the Mississippi to the Gulf and throughout the South. Finally, ***rice*** is concentrated in the Mississippi and Arkansas River Deltas, the Gulf Coast, and the Sacramento and San Joaquin Valleys of California.

III

GRAIN PROCESSING

The production of grain is the first step in a long and intricate chain of events which ultimately leads to its final consumption. Once harvested, grain may remain on the farm in the form of feed or seed. It may also be processed for domestic consumption as a foodstuff or feed, or be exported in raw or processed form. The final destination determines the marketing pattern. The final destination, however, may not be chosen until the grain is processed or loaded for export.

The principal grain used by the flour milling industry is wheat. Wheat is used to produce flour and its byproducts, such as bran and middlings. Flour is converted into bread, cake, and other bakery products by the baking industry as well as by household consumers. The largest proportion of milled wheat comes from the north-central region.

Rice millers convert rough rice into milled whole and broken rice for human consumption, with its byproducts utilized in livestock feeds. The majority of rice mills are within four of the major producing States: Arkansas, California, Louisiana, and Texas.

Wet corn milling manufacturers process shelled corn into diversified products. These include starch, dextrin, corn syrup, corn sugar, corn oil and feeds. Besides corn, this industry also utilizes sorghum and wheat. The majority of the wet corn milling industry is also located in the north-central region, sometimes referred to as the "Corn Belt." Dry corn millers convert yellow shelled corn into granulated and bolted yellow cornmeal and yellow corn flour. White shelled corn is used to process pearl hominy, brewers grits, granulated white cornmeal and white corn flour. The dry corn milling industry is also principally located within the Corn Belt.

The mixed feed industry utilizes wheat, corn, oats, barley, and sorghum in the preparation of mixed feeds for poultry, horses, hogs, and dairy and beef cattle. The largest concentration of feed manufacturing establishments is found in Illinois, Indiana, Iowa, Ohio and Missouri. Mixed feed establishments, however, are also found in all regions of the Nation where there is livestock and poultry production.

IV

MARKETING CHARACTERISTICS AND DISTRIBUTION PATTERNS

The farmer has at least four options in selling his crop. First, and using wheat for illustration, he may sell to the local country elevator at the prevailing market price. Second, he may store it at either his own farm or a commercial (usually local) elevator in hope of selling it later at a higher price. Third, he may use a combination of these initial two options. Fourth, he may use his stored wheat as collateral and receive a nonrecourse "price support" loan from the USDA's Commodity Credit Corporation. This option provides a source of income until he decides to sell his wheat at the given market price. Under this option, the farmer can also deliver the wheat to the Government in lieu of repayment. He will usually exercise this option when the market price falls below the support price.

Regardless of the decision by the farmer, the country elevator is usually the first step in the grain marketing process. Country elevators are privately owned by export firms, farmer cooperative associations, domestic grain companies, flour milling companies or private entrepreneurs. All are licensed, either by the State or Federal Government.

Country elevators function as prime collecting and buying points within a local community. Grain is usually sent to the local elevator by truck. It is weighed and sampled to determine grading. Then, it is either elevated to storage bins for later disposition or outloaded immediately into freight cars, trucks, or barges for shipment to its next destination.

Country elevators continue to be the major outlet for off-farm sales of grains. However, because of improved roads and larger trucks (which facilitate movement of grain to more distant markets), increasingly larger volumes of grain bypass nearby elevators. In response to this trend, many country elevators have expanded both capacity and function, and have become "subterminal" elevators. As such, they combine features of country and terminal elevators. The main distinction between subterminal and terminal elevators is geographic. Subterminals are located away from metropolitan areas, and in general, have larger storage and handling capacity than country elevators.

Subterminal elevators perform many of the same functions as terminal elevators: sorting, cleaning, blending, et cetera. However, subterminal elevators purchase the majority of their grain from country elevators, not farmers. The grain is shipped to them either by truck or rail, and the subterminal generally has transit privileges for wheat. In most cases the subterminal sells directly to terminal elevators, flour mills, or exporters, instead of selling to interior dealers or commission merchants.

Terminal elevators are usually located within major grain trading markets to facilitate both domestic and overseas traffic. Terminal elevators serve the function of assembling, storing, pricing, trading, conditioning and financing. They sell to processors, millers, distillers, feed manufacturers, exporters, and sometimes to elevators in other parts of the country.

Another type of elevator is that found at major ports. "Port" elevators specifically serve the export flow of grains.

Intermediate agencies (cash merchants) have evolved to facilitate the flow of grain. Whether or not they take title to the commodity, these agencies do not have the facilities for handling grain. The term "cash merchants," describes any functionary operating between a seller and a buyer. Types of cash merchants are: terminal receivers, merchandisers, and brokers. Terminal receivers deal mainly in cash grain from country shippers. Merchandisers take title to grain in order to buy it for sale to any consumer. A broker, however, does not take title to the grain but serves as an agent and arranges the buying and selling of the grain. A broker is usually paid by the seller.

V

GRAIN EXCHANGES

Much of the price setting and actual buying and selling of grain takes place at grain exchanges. These exchanges enable buyers and sellers to meet and conclude transactions. Besides price, the traders set terms and conditions of sale which ultimately determine the mode of transport and form of final disposition.

There are more than 30 grain exchanges located throughout the country. Of these, certain major exchanges have historically been the "pricing setting" markets for each particular commodity. "Price setting" markets are usually located at major trading points where principal water, rail and truck facilities are centered.

For wheat, the traditional price setting markets are Chicago, Minneapolis, Toledo, Kansas City, Baltimore, Omaha, St. Louis, Houston, and Portland. For corn, they are Minneapolis, Chicago, Omaha, Kansas City, St. Louis, and Toledo. For sorghum, they are

Kansas City, Los Angeles, and the Texas High Plains. Price setting markets for barley are Portland, Stockton, Minneapolis and Los Angeles. Minneapolis, Chicago and Toledo set the price for oats, while Minneapolis does so for rye. For soybeans, the price setting markets are Chicago, Toledo, Minneapolis and several scattered points throughout southern Illinois.

Two types of grain markets operate in the United States. The first is the *cash grain* market where grain is bought for "immediate" delivery (5 days), "prompt" delivery (10 days), or designated for "deferred" delivery. These transactions can cover grain onhand, grain scheduled to arrive at a specific place, or grain either in route or ready to be shipped from rural locations.

Sellers of cash grain are usually country elevators represented by commissioned agents. Buyers usually represent exporters, terminal elevators, grain processors, or milling companies. The cash sale is a means of immediate disposition for the seller and of immediate supply for the buyers, since the physical product is involved.

The second kind of market is the *grain futures* market, where contracts for an agreed quantity of a specific grain are bought and sold for delivery at a later date. There are only three futures markets in the Nation: Minneapolis, Chicago, and Kansas City. These markets provide year-round market stability since grain is harvested over a relatively short period of time but keeps moving into consumption throughout the year. Contracts for future delivery help to insure a constant flow of grain.

"Hedging" is an important element in the trading of grain futures. It refers to actions designed to minimize the risks inherent in a highly speculative market. Examples are: buying a cash commodity and selling a like amount of futures contracts to offset any decline in value of the actual or "spot" commodities; or, selling a cash commodity and buying a like amount of futures contracts to offset the loss which would result from an increase in the value of the commodity. Hedging enables the handler of grain to carry large inventories without exposure to large losses. At the same time, it limits the opportunity to achieve large profits.

Exporters, besides trading at grain exchanges, do business in three types of markets: the open market, the public tender market, and the private tender market. In the open market, an export house engages in a continuous two-way flow of offers, bids, counteroffers and market information concerning grain offered for sale at all major world exchanges. In the public tender market, grain is usually bought and sold by official governmental buying commissions and semiofficial agencies. In the private tender market, private mills offer their processed product for sale on the international market through export houses.

VI

TECHNOLOGY

Technology has played a significant role in the transportation of grain and grain products. It has, among other things, altered competitive relationships between the alternative motor, water, and rail modes.

The ability of the trucking industry to transport grain has increased substantially due to technological advancements, the most obvious being the virtual completion of the 41,000-mile national highway system. This system connects the principal metropolitan areas, cities and industrial centers with direct routes, greatly reducing travel time and hence improving service and reducing motor costs. Moreover, roadway improvements have fostered growth in the types of equipment utilized by motor carriers, including double trailers. Additionally, capacity per load has increased with the replacement of many of the 30- to 34-foot trailers used in the early 1950's by 40- and 45-foot trailers. Technology has also developed specialized units to meet various shipper needs.

Water transportation has also been heavily influenced by technology and assisted by various national undertakings. The Army Corps of Engineers, for example, maintains inland waterways. Locks and dams are continually being constructed with new innovations designed to handle larger and wider tows. Equipment used today by water carriers has also been improved by the use of twin screw propulsion, more powerful motors, improved navigation devices, and larger hulls.

Perhaps the clearest demonstration of the effects of technology can be seen in the rail section. Capacity to haul grain increased substantially with the development of the "Big John" covered hopper cars. These cars improved efficiency enough to warrant decreases in the freight rates. (The "Big John" cars are discussed in section X part E below.) Use of this development, however, is subject to the limitation that certain spur lines are unable to handle the increased weight of these newer and larger cars at normal operating speeds. Thus, some rural grain handlers are deprived of the benefits of large covered hopper cars and accompanying reduced rates.

The development of larger elevator storage facilities equipped with modern loading and unloading devices has resulted in still further cost and time reductions in transporting grain.

Innovations in rail transportation have also included unit trains and rent-a-trains, where 65 or more cars operate as a unit, eliminating switching costs and improving efficiency.

Very little data is available detailing the division of traffic among these three modes since most agricultural commodities are exempt when shipped by truck or barge. (Data of this nature that has been been submitted is included in section XI of this report, below.)

VII

AVAILABILITY OF EQUIPMENT

The seasonality inherent in the production of grain influences grain transportation by causing peaks and troughs in the demand for rail transportation equipment. The ability of the railroads to meet peak demand is directly related to the number of railcars available. However, other factors such as car size, turnaround time, distance traveled, loading, utilization, the ability of rail lines to handle heavy loaded cars as well as the general efficiency of railroads, all play significant roles in determining the supply of equipment. Since many of these factors cannot readily be measured, it is difficult to determine the availability of cars based on anything except numbers of cars and their capacity.

VIII

TRANSIT

The subject of transit is perhaps the most complex issue raised in this proceeding. The practice of stopping movements of grain for a variety of commercial processes began in the mid-19th century and has continued, with various modifications, to the present. Any modifications in the transit structure will have far-reaching effects on the transportation of grain and grain products.

Transit is a difficult concept; yet an understanding of it is essential to an appreciation of the transportation of grain by rail. Transit is the shipping of a quantity of a specified commodity (*e.g.*, corn) from point A to point B for some manufacturing or commercial process and then reshipping the processed product (*e.g.*, corn flour) to destination C at a rate less than the combination of local rates to and beyond B (the transit point) which would otherwise apply. The rate applicable from A to C is the rate in effect at the time the shipment moved from A to B. Further transit beyond C often occurs.

Transit is based on the fiction of a "through" movement and the application of a through rate, even though the actual movement is separated into two or more distinct hauls. Transit privileges include: storing, sorting, grading, mixing, milling, fabrication, and manufacturing. Of these, storing and milling are the most common.

Transit was first used during the 19th century when the railroads had a virtual monopoly on the transportaton of grain and grain products. The railroads invited the extensive use of transit and promoted its development in an effort to encourage industry and promote new traffic on their lines. By the turn of the century, transit had become an integral part of the rail transportation of grain.

Views expressed by the parties on the effect of transit varied. These representations make it clear that transit has both desirable and undesirable features.

Union Equity and Cooperative Exchange, for example, points out that transit privileges provide benefits to both the inland terminal operators and the railroads. Without transit, grain might move directly to ultimate destination with a decline in origin-car utilization. Because distances between country and terminal elevators are relatively short, some cars can be loaded twice or more per week. As a result, a maximum volume of bulk wheat can be handled at harvest time with a minimum number of cars.

Union Equity and Cooperative Exchange, the Barley and Malt Institute, Archer Daniels Midland Company, and the National Soybeans Processors Association are concerned with the effects of any changes in transit on the processing industry. They point out that the current transit structure allows processors to locate at interior points which, in turn, creates job opportunities and an industrial tax base for small communities. Transit permits breweries, distillers, and food processors located throughout the United States to purchase grain on a competitive basis. They maintain that present transit privileges are necessary to sustain the relative position of the processing industry. A considerable amount of capital has been invested, according to these parties, because of the railroad rate and transit structure. Any unwarranted adjustments, it is maintained, would discount the dollar investment of interior processors and depreciate the value of their grain handling facilities, and would undermine the competitive nature of the processing industry.

Other parties, while agreeing that transit is necessary, suggest changes.

The Santa Fe believes transit has been beneficial to rail carriers, farmers, merchandisers and consumers. It states, as does Garvey, Inc. and the Rock Island, that at least one transit for storage is necessary to permit orderly grain marketing throughout the year. However, the Santa Fe and the Rock Island maintain that subsequent transit of whole grain, with the whole grain rate applied to grain products, should be investigated. They also submit that transportation and transit should be studied to determine if the farmer, middleman, or consumer is, in fact, paying for the specific services each uses. Further, the Santa Fe alleges that the cost of transporting grain products is higher than that of transporting equal amounts of whole grain. Grain products, which also have a higher value than the whole grain, should move on a higher rate, according to this carrier. The Santa Fe suggests that the present system, which permits a through grain rate to apply from country origin to consuming point, without an additional charge or regard for the nature of transit or alteration of the whole grain, should be studied to determine its reasonableness.

The CNW suggests that the rate applicable to a through movement should be that which has the lowest ratemaking weight, inbound or outbound. It also suggests reduction of the present 2-year period without penalty, and 3-year period with penalty, for the use of transit. Today's inflation is one reason for making such a change.

The Milwaukee Road also recommends limiting the transit time allowed from 2 years to 1. It suggests applying the rate in effect at the time of the outbound, rather than at the time of the inbound movement.

The Union Pacific contends that transit, while perhaps essential for orderly marketing of grain, in many instances is a luxury. It claims that transit, with its attendant circuitous routes, is the result of the railroads' need to remain competitive with each other.

The Milwaukee Road claims that the cost to carriers of transit is no longer covered by line-haul rates. It maintains that the carriers must now consider transit as a distinct and independent transportation service and treat it separately in tariffs with specific charges that fully cover its cost.

The NDWC agrees, but for different reasons, that the expense for transit should be removed from the line-haul rates and charged separately to those who utilize it. The expense was part of the basis rates in docket 17000 because of the extensive use of transit at that time; however, it contends that transit is no longer an integral factor in grain movements. In support of this contention, NDWC indicates that between 1972 and 1973 only 3.69 percent of all North Dakota grain was transited in North Dakota; and that vast tonnages move out of Duluth and Minneapolis by water without transit. Yet, producers are automatically paying for this service because the line-haul rate is deducted from the price received at Minneapolis.

On the other hand, the Board of Trade of the City of Chicago and International Multifoods Corporation claim that the present transit structure should not be altered. They contend that the railroads have failed to prove that transit arrangements resulted in depleted revenues. FAR-MAR-CO. Inc., contends that increased railroad revenues, generated by the use of jumbo hopper cars and increased rates, justify reasonable transit privileges. Moreover, railroads are said to consider transit costs in making rates and any individual problems caused by transit can be resolved.

The Special Projects Staff (SPS) points out that one major liability of transit is that it presents a serious problem in ascertaining carrier costs and determining cost-revenue relationships. Table 1 below illustrates this point, showing the various elements that may enter into a transited shipment of animal and poultry feed. The shipment used as an example moved from a transit point as a 33-ton carload going 213 miles. There was no fixed rate for this outbound shipment. Instead, the revenue for this shipment was determined by the through rates from the point of origin to the final destination point based on the following total mileages.

TABLE 1

Miles	*Miles for*	*Miles for feed*
1,244	1,031 Oats	213
784	571 Feed	213
627	414 Corn	213
606	393 Meal	213
676	463 Miscellaneous	213
213	(Outbound miles when there was no prior rail move which would qualify for inclusion for an outbound transit rate.)	

There were actually 11 rates involved in determining the charge for the outbound move, as shown in the graphic below.

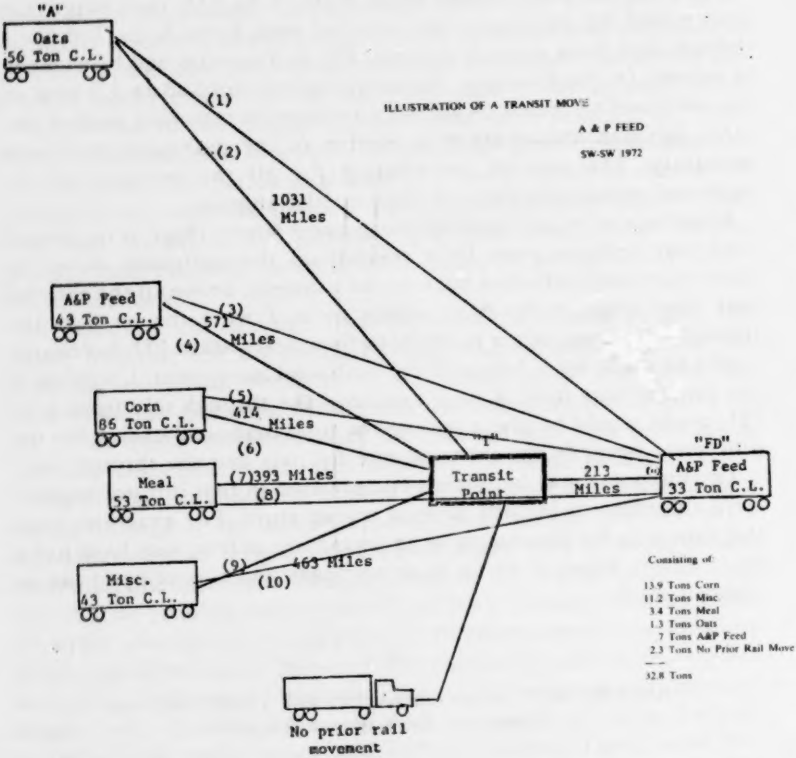
"A"
Oats
56 Ton C.L.
(1)
(2)
1031 Miles
A&P Feed
43 Ton C.L.
(3)
571 Miles
(4)
Corn
86 Ton C.L.
(5)
414 Miles
(6)
Meal
53 Ton C.L.
(7) 393 Miles
(8)
Misc.
43 Ton C.L.
(9)
463 Miles
(10)
"I"
Transit Point
213 Miles
(11)
"FD"
A&P Feed
33 Ton C.L.
No prior rail movement

ILLUSTRATION OF A TRANSIT MOVE

A & P FEED

SW-SW 1972

Consisting of:

13.9 Tons Corn
11.2 Tons Misc.
3.4 Tons Meal
1.3 Tons Oats
7 Tons A&P Feed
2.3 Tons No Prior Rail Move

32.8 Tons

The shipment of oats originted at point A, moved to the transit point T, was processed, along with other commodities, and then moved as feed to the final destination point FD. The rate for oats from point A to T was applied and charged for that movement of oats. When the feed moved from point T to FD, the charge was determined by deducting the rate for oats from A to T from a through rate from point A to point FD as if no stop had been made in transit. In this example, the resulting rate applied to 1.3 tons of the outbound shipment. A similar computation matching each of the other inbound shipments to a portion of the outbound move was necessary. The sum of the charges for all the portions of the outbound move was then charged to the shipper.

Situations exist on transited movements where there is no charge (and may perhaps even be a refund) on the outbound move. In illustration (and referring back to the example, above) if the rate for oats from origin point A to transit point T were the same as the through rate from origin point A to final destination FD, no charge would be made for 1.3 tons of the outbound movement. Likewise, if the rate for oats from A to T exceeded the through rate from A to FD, credit would be given against the total outbound charge for the difference between the inbound rate for oats and the through rate.

The foregoing may be further complicated in that it is not unusual for a shipment to include several transit stops. For example, meal that comes in for processing as an ingredient in feed may have had a prior transit where it came in as soybeans and was shipped out as soybean meal.

IX

"RATE-BREAK" COMBINATIONS, DOCKET 17000, AND THE ABSOLUTE RATE-BREAK RULE

Grain marketing has undergone significant changes as a result of technological innovations (discussed in section VI above) and changes in the social and economic environment.

In the mid-19th century, grain was transported from country elevators located near the western grain fields directly to the principal gateways of Chicago and Peoria, IL, St. Louis, MO, and Memphis, TN, for consumption or for shipment beyond. A system of primary markets at central locations between the grain fields and the gateways was established so that grain could be blended, cleaned, milled, and stored. Carriers began to grant transit for these purposes at the primary markets, covering the cost with the through rate.

When new railroad lines were constructed from the primary markets to the gateways, they experienced difficulty in securing business. The through lines, determined not to "short-haul" themselves, refused to participate in joint rates. In order to compete effectively, the new lines established "proportional" rates from the primary markets equal to the outbound rates of the through lines.

Publication of the original proportional rates resulted in "rate-break" combinations, in which the rate from grain field to gateway or consuming destination consisted of a combination of the flat or gathering rate into the primary market and the proportional rate from that market to the gateway. The rates thus "broke" at the primary markets, and these centers came to be known as "rate-break" markets.

In response, the through lines lowered their rates so that the transit balance, the difference between the through rate and the gathering rate, was lower than the proportional rate from the markets to the gateways. Most grain thereafter tended to move on the lower transit balances, since the through rate took precedence over any combination of rates between the same points.

The charge for shipment beyond the primary market would be a transit balance if the surrendered inbound freight bill covered a shipment with an origin from which there was a through rate; otherwise, the outbound charge would be the higher proportional rate. As the primary markets increased their capacity to store grain, the wider selection of billing afforded shippers a greater opportunity to use transit balances. However, the outbound basis for billing was uncertain because it depended upon the surrendered inbound freight bill. Transit balances and proportional rates became available over both direct and indirect routes. There were few restrictions on the purposes or number of transit stops, often numerous and involving circuitous routes, extensive backhaul, and out-of-line service, yet without charge above the line-haul rates. Further, a single proportional rate from one primary market to another was often applied over roundabout routes through a third primary market, in lieu of the combination of proportional rates to and from the third market.

In the late 1920's, the Commission undertook in Docket 17000—Part 7 an extensive investigation of the grain rate structure within the western district and for export.

The main issue was whether transited traffic should be permitted to move at charges based on transit balances (*e.g.*, the difference between the through rate from origin to final destination and the charges already paid on the movement from origin to transit point) or proportional rates from transit point to final destination. Requiring outbound movements at proportional rates is the so-called "rate-break" principle. While charges on the inbound movement (flat or gathering rates) would be the same with or without transit, charges on the outbound movement would be less with transit. The amount of the difference would vary between individual movements because the transit balances themselves would vary. (See section VIII, above, for a discussion of how transit balances are computed.)

The Commission found that the proportional rate structure was of significant benefit to the grain industry and, especially, to the price-registering markets, such as Chicago, IL, Minneapolis, MN, and Kansas City, MO. It noted that proportional rates stablized prices since there would be only one outbound proportional rate to any given destination, and known well in advance of any commercial transaction.

The Commission also noted that transit balances, on the other hand, differ in relation to origins as well as to destinations. Thus, to the extent lower transit balances dominate the charges from a primary market, they increased uncertainty as to outbound charges among competing shippers and negated the price-stabilizing effect of proportional rates. In addition, the Commission found that the extensive use of transit balances created preference for the larger shippers who have more billing and thus far greater opportunity to obtain the lower transit balances, to the detriment of the smaller shippers who were often limited to the higher proportional rates.

The Commission, therefore, in its first general report and order, prescribed the "rate-break" principle as the exclusive basis of rates in *Grain and Grain Products*, 164 I.C.C. 619 (1930), on grain traffic moving via the primary markets to the gateways and beyond into the East and the South. This decision was reversed by the Supreme Court because of the Commission's failure to consider the effects of the depression of 1929 upon the level of rates. *Atchison, Topeka and Santa Fe Railway Company* v. *United States*, 284 U.S. 248 (1932). The Commission examined the effects of the depression upon the finances of the carriers and reaffirmed the rate-break rule in *Grain and Grain Products*, 205 I.C.C. 301 (1934). Railroads were required to charge proportional rates whenever shipments stopped in transit at points from which proportional rates were applicable.

Transit balances less than the combination of the inbound and proportional rates were ordered canceled, and the Commission designated numerous specific rates to points other than the primary markets. The Commission equalized rates among the primary markets and from those markets to principal gateways. It limited the number of transit stops without extra charge for storage, conditioning, or milling, and imposed limitations upon out-of-line hauls, competitive routes, and backhauls. The Commission allowed the continued use of transit and the application of transit balances at interior markets on all routes, even those which passed through the primary markets without stopping. The Commission decided that both the volume of grain and the choice of available routing were far greater at the primary markets operating under the rate-break principle than at the intermediate points where transit balances were applied. It found that transit and the rate-break combination were two essentially different bases of rates, each suited to a different type of market. It decided that the transit system would not interfere with the rate-break principle, provide it was not allowed at the primary markets. It also decided that the transit system was vital to the continued existence of interior processors who, otherwise, would not be able to compete with their counterparts at the primary markets. The Commission, therefore, permitted transit, at the discretion of the railroads, at all intermediate transit points. However, on all shipments stopped at the primary markets, the Commission required the exclusive application of the rate-break combinations. *Grain and Grain Products*, 215 I.C.C. 83, 93 (1936).

It also prescribed a common level of rates for wheat and coarse grains and ruled that the rates on grain products should in no instance exceed the rates on grain. (205 I.C.C. at 406.) However, this rule began to be modified as early as the "Second Grain Case." *Grain and Grain Products*, 215 I.C.C. 83 at 123.

The rate-break rule was subject to continuous attack and gradual erosion from the time it was prescribed in 1936 until its abolition in 1964. Cases subsequent to 1936 indicate that the objections to the mandatory rate-break principle involved particular rates between a limited number of specified localities. Most of these decisions dealt with individual problems and were not intended to be generally applied.

In these decisions, the Commission was frequently requested to equalize the position of competitors. In 1936, for example, shippers were allowed to transit wheat at Minneapolis on the proportional rate applicable from Duluth to Chicago. This action was taken to equalize the competitive positions of millers in Minneapolis with millers located in other primary markets. *Wheat Products From Twin Cities to Chicago*, 218 I.C.C. 27 (1936).

In *Grain To, From, and Within Southern Territory*, 259 I.C.C. 629 (1946) case, southeastern shippers challenged grain rates into the South as unreasonably high and preferential to shippers in other parts of the country. The Commission responded by prescribing new proportional rates from southern Kansas, Oklahoma, and northern Texas to Memphis on shipments moved beyond Memphis to destinations in the Southeast.

> [The new, lower proporationals] were less than the corresponding local or flat rates to Memphis and created departures from the rate-break combinations on shipments from southern Kansas to Memphis since the proportionals were applicable through, and with transit authorized at, Kansas City. The prescription of the proportional rate from Wichita, Kans., to Memphis, for example, applicable over routes via Kansas City, resulted in a transit balance less than the standard or open proportional from Kansas City to Memphis. The transit balances beyond Kansas City of those proportional rates from southern Kansas to Memphis prescribed in the *Southern Grain* case are referred to as "shrinkage proportionals." [*Southeastern Assn. of R. & Util. Commrs. v. A., T. & S. F. Ry.*, 321 I.C.C. 519, 524 (1964).]

In 1951 the Memphis milling and blending interests complained that rates from and based on Kansas City, MO, on grain and grain products and other mixed feed products were prejudicial to Memphis interests and preferential of mills at the interior points of Fort Smith and Little Rock, AK, Shreveport, LA, Sikeston and Springfield, MO, and Dallas, Fort Worth, and Sherman, TX. This preference arose because docket 17000 allowed transit at the interior points while placing Memphis under the rate-break prescriptions. As a result, Memphis lost traffic to the interior markets whose rates were lower. The Commission agreed with the Memphis interests and accorded relief. *Royal Feed & Milling Co. v. Arkansas & L. M. Ry. Co.*, 281 I.C.C. 145 (1951).

Modifications of the absolute rate-break rule were often said to be necessitated by increasing truck competition. A significant modification occurred in 1956 when the Commission held that, except for the provisions relating to maximum reasonable rates on coarse grains, the restrictions and requirements relating to coarse grains were no longer necessary or desirable because of increased truck competition. The restrictions and requirements which the Commission lifted include the maintenance of the rates on coarse grains on the rate-break principle, the continuance of particular groups and group relationships, and other like conditions. *Grain and Grain Products*, 298 I.C.C. 261 (1956).

Finally, in 1964, the Commission examined the mandatory rate-break rule on wheat. It found no convincing showing that the rule was unreasonable or discriminatory. However, reviewing the rule under its discretionary powers, the Commission found that since initiation of the rule, conditions respecting wheat transportation, especially increased truck competition, had changed substantially. It further found that the mandatory rate-break rule had indirect adverse effects on the public, creating rates without regard to cost, tending to retard ratemaking and technical innovation, and possibly producing higher rates than might otherwise result. Therefore, the Commission vacated the rule.[2]

Since this action, the only litigated exception to the rate-break rule occurred in 1972, when the railroads granted transit on wheat at the Twin Cities so that shipments from Sioux City and Omaha to Chicago for shipment beyond may be transited at Minneapolis on the proportional rate to Chicago. *Transit Provisions on Wheat at Twin Cities, Minn.*, 341 I.C.C. 235 (1972).

X

THE GRAIN RATE STRUCTURE BY REGIONS

A. *Midwestern flour to the Southeast and Southwest*

By 1969 a serious erosion in the markets available to midwestern flour millers had occurred as a result of two events. Kansas millers were unable to sell their flour in eastern and southeastern markets

because of substantial reductions in rail and barge rates on grain. These reductions destroyed the historical parity of rates on wheat and flour and led to the development of new and substantial local flour milling capacity in the destination territories to take advantage of the low grain rates. Since the establishment of the reduced so-called "Big John" rail rates to the Southeast, in 1963, the Kansas millers have lost considerable customers in that territory.[1]

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[2] *Omaha Grain Exc.* v. *Chicago, B. & Q. R. Co.*, 322 I.C.C. 743 (1964). The decision was overturned for failure to give adequate notice that Docket 17000—Part 7 was being reopened. *Chicago, Burlington & Quincy Railroad Co.* v. *Interstate Commerce Commission*, 242 F. Supp. 414 (1965), affirmed *per curiam sub nom. Chicago & N.W. R. Co.* v. *Chicago B. & Q. R. Co.*, 382 U.S. 422 (1966). The Commission then formally reopened Docket 17000—Part 7 and again vacated the absolute prescription of the rate-break rule. *Grain and Grain Products*, 329 I.C.C. 824 (1967).

[1] *Wheat & Wheat Flour, Westbound*, 337 I.C.C. 858 at 863 (1971). The "Big John" rates became effective in 1972 and are discussed in section X, part E below.

Further, prior to 1961 wheat and flour were shipped from Kansas and Montana to California on the same rate basis. However, in 1961 and 1964, because of competition from other modes, the rates on wheat from Montana were reduced, putting Kansas at a disadvantage.[4]

In order to help Kansas flour mills acquire a greater share of the increasing flour market in California, the Santa Fe proposed a reduction in 1969 on wheat and flour rates from midwest origins to California, Nevada, Arizona, and New Mexico. This request was granted by the Commission in 1971. ***Wheat & Wheat Flour, Westbound***, 337 I.C.C. 858 (1971).

B. *The inverse rate adjustment*

In order to help northern wheat compete with Canadian wheat in the export market, as well as to reduce the surplus in storage, the Commission approved the establishment of the "inverse rate structure.[5] Its significant characteristic was that the rates to the West Coast were made progressively lower from the more easterly origins in the Dakotas. Conversely, rates were higher from more westward origins. This relationship of rates counteracted the drawing power of the Minneapolis market because the closer the origin point was to Minneapolis, the lower the rate was to the Pacific ports. The rates applied almost exclusively on traffic for export.

In Ex Parte No. 270 (Sub-No. 1A), ***Investigation of Railroad Frt. Rate Structure***, 345 I.C.C. 423 (1975), existing export rates on wheat from origins in North Dakota and the North Pacific Coast ports were found not shown to be excessive from a cost of service standpoint or in excess of a maximum reasonable level. However, changed conditions since adoption of the inverse rate structure were found to have rendered that structure obsolete and distorted to the point where the rates were unjust and unreasonable when compared with other rates. The Commission concluded that the inverse rate structure on wheat from origins in Minnesota, Montana, North Dakota, and South Dakota to North Pacific ports was unjust and unreasonable to the extent the rates exceeded 92.5 cents per hundred pounds, the rate from the most eastern origin point, at the Ex Parte No. 267-B level. 345 I.C.C. 423 at 429.

The Commission concluded that the imposition on inverse rate structure could be justified only on a showing of special circumstances and conditions, and concurred in the examiner's findings of changed conditions, citing the following examples:

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[4] 337 I.C.C. 858 at 866.

[5] Commission's 371st supplemental order. Fourth Section Order No. 17300, ***Grain and Grain Products Within the Western District***, June 8, 1965.

> elimination of the large surplus of hard red spring wheat; discontinuance of the Department of Agriculture subsidy program; reduction in export rates from some origins formerly subject to the inverse rate structure; application of a general rate increase to the westbound inverse rates without a similar increase on eastbound wheat rates; and a significant reduction in the eastbound wheat rates with no corresponding reduction in the westbound rate structure. [345 I.C.C. 324 at 440.]

The Commission issued its final order on September 8, 1976, prescribing the 92.5-cent maximum rate, but limiting its duration to 1 year, stating:

> We believe that such a temporary order will afford necessary relief to petitioners, allow time for parties to resolve their differences, and result in establishment of just and reasonable rates for the future. [345 I.C.C. 423 at 442.]

On February 16, 1977 the Eighth Circuit Court of Appeals affirmed the Commission stating:

> It is clear that the Commission found the rates to be unjust and unreasonable not because they were excessive from a cost-of-service standpoint but because they violated "long haul and short haul" provision of the Act and because the special circumstances which initially justified the inverse structure no longer existed."[8]

C. *Transit at Twin Cities*

Wheat and flour continue to move from Omaha and Sioux City through the primary markets on the Missouri River and at the Twin Cities, Minneapolis-St. Paul, MN, where since 1972 they have been granted transit. ***Transit Provisions on Wheat at Twin Cities, Minn., supra.*** They then move on the intermarket proportional rates to Chicago, Peoria, and St. Louis. From these points they move into the East on equalized rates.

D. *Gathering rates to Twin Cities and Twin Ports*

In 1961, confronted with severe, unregulated truck competition, the railroads established substantially reduced gathering rates on grain and grain products, other than barley, from origins in Minnesota, North and South Dakota, and Montana to Minneapolis and St. Paul, MN, the Twin Cities, and Duluth, MN, and Superior, WS, the Twin Ports. These rates were published in connection with a reduction in transit and accessorial services, and originally applied year round.[7] In 1963, responding to further inroads made by motor carriers, the rail carriers established reduced grain rates on a seasonal basis.[8]

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[8] *Burlington Northern, Inc.* v. *United States*, 549 F. 2d 83, 87 (1977).

In 1971, in response to further truck competition, the rail carriers made a 25-percent reduction on the group 3 and group 4 rates on wheat coupled with further reductions in accessorial services to preserve revenue. However, in 1974, in view of the increasing demand for rail transportation of grain and grain products and reduced truck competition, the railroads canceled the lower winter rates. The higher summer basis of rates and a 10-hour loading requirement applied all year thereafter.[9]

While the new schedules eliminated the seasonal differentials in rates, they did not restore services that had been curtailed in connection with either earlier rate reductions or the seasonal rates. *North Dakota Wheat Commission* v. *United States*, 565 F. 2d 621 at 627.

While the Commission found the new schedules shown lawful, the Eighth Circuit Court did not, and remanded the proceeding for further consideration.[10] The court disagreed with the Commission's statement that "the fact that a rate has gone into effect and is moving traffic necessarily requires or justifies a factual inference that the rate is reasonable." 565 F. 2d 621 at 628.

The court further stated that while innovative rates should not be discouraged by refusing to let carriers rescind them, "the response of a carrier to changing circumstances must itself be reasonable, and a return to former rates is not justified if those rates themselves are not reasonable." 565 F. 2d 621 at 678.

The court's most serious problem with the decision, however, centered on the Commission's permitting the higher summer rates to go into effect on a year-round basis, without adequately considering the failure of the carriers to restore services which had been cut when the rates were previously lowered.

> It is one thing to permit a carrier to reduce a rate without any reduction in service and then restore the rate when the economic reason for the reduction has ceased to exist,

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[7] *Wheat, Rye, and Flaxseed to Duluth and Minneapolis*, 315 I.C.C. 89 (1961). These were known as group 3 rates.

[8] These rates, known as group 4 rates applied during the winter months.

[9] Investigation and Suspension Docket No. 8939, *Seasonal Rates on Grain to Minnesota and Wisconsin* (not printed) decided September 18, 1975; reopened on December 21, 1977 upon remand and currently pending. (Due date January 6, 1979.)

[10] *North Dakota Wheat Commission* v. *United States*, 565 F. 2d 621 (1977).

> or to permit the carrier to reduce a rate with an offsetting reduction in service and then to restore both the original rate and the original service on the basis of changed circumstances. It is quite another thing to say that the carrier may cut both rate and service and then restore the rate without restoring the service simply because the reduction has ceased to serve any useful purpose. We think that in that situation it is incumbent upon the carrier in a § 15(1) proceeding to justify the fact that it is raising rates but not restoring services. [565 F. 2d 621 at 628.]

E. *Rates to and within the South*

Prior to 1936, the generally prevailing basis for rates to and within the South, except the Mississippi Valley, was lower on grain than on flour in any-quantity (AQ) lots. However, numerous exceptions existed, particularly from the border gateways and ports. There were, for example, commodity rates on AQ shipments at the same level for grain or flour from Ohio and Mississippi River gateways, other than St. Louis, to most of southeastern territory. Commodity rates lower on carload than on less-than-carload (LTC) shipments and higher on flour than on grain, applied from St. Louis to the Southeast and from Ohio and Mississippi River gateways to parts of the Southeast and to the Carolinas. Commodity rates from Ohio and Mississippi River gateways to Florida were also on the same basis as to the Carolinas, with some rates being reduced because of water competition.

In 1936, rates on grain and related articles within and to the South were revised. I. and S. Docket No. 4208. The revisions left the rates unchanged on carload shipments of grain, increased the rates on LTC grain shipments, reduced rates on carload shipments of flour, and had a varying effect on LTC flour shipments. There were both increases and reductions in the carload rates from the river gateways but the LTC rates were increased in most instances. Carload rates on both grain and flour from Gulf ports were substantially increased.

In 1957, the Southern Railway System (SRS) reduced carload mileage scale rates between points in the South on coarse grains, grain products other than flour, and animal and poultry feeds, in order to meet the competition of unregulated truckers and water carriers. These reduced rates required carload minimum weights of 100,000 pounds for coarse grains and 50,000 pounds for the other commodities. Selected local and proportional rates were also reduced from Ohio and Mississippi River gateways and from Virginia gateways into Southern Territory. Prompting the reductions was the failure of the railroads' share of traffic to keep pace with rapid increases in the production of grain and the manufacture of animal and poultry feed in the South.

However, these 1957 rate reductions did not have the desired effect. In 1959, rail carriers within the South made another study of the grain rate structure and concluded that a further reduction in rail rates was necessary. Reduced rates on grain and grain products other than flour became effective in November of that year, but many shippers of grain and grain products continued to prefer other modes.

SRS, endeavoring to meet this situation, sought to improve its equipment and operating efficiency through the use of extra large aluminum covered hopper cars, popularly termed "Big John" cars, capable of handling a revenue load in excess of 100 tons. *Grain in Multiple-Car Shipments—River Crossings to So.*, 318 I.C.C. 641 (1963); 321 I.C.C. 582 (1963); 325 I.C.C. 752 (1965). The SRS proposed to establish substantially reduced, all-rail rates, minimum 90 tons per car, 450 tons per shipment, on grain, but not products of grain, in multiple-car lots, from certain Ohio and Mississippi River crossings to specified points in Southern Territory. Since the capacity of the newly acquired, extra large, aluminum covered, hopper cars exceeded the proposed 90-ton minimum, the intended rate for the 450-ton shipment required only five cars.

These reduced multicar rates were to supplement existing single-car rates subject to transit privileges which applied to and from the same points. These latter rates, the "normal rates" for grain and grain products, offered transit, absorption of connecting-line switching charges, and other services not being accorded with the reduced multiple-car rates.

The proposed rates were to apply only when the grain was shipped at one time on one bill of lading to one consignee at one destination, and were subject to the origin and destination intermediate point rules. Transit privileges were not included, a source of some complaint, nor were connecting-line and switching charges absorbed.

SRS encountered severe opposition from the barge lines in convincing the Commission that the new rates were lawful. The barge lines assailed the proposes rates as specifically intended to divert all barge traffic to the railroads and ultimately drive the barges out of business. 318 I.C.C. 641 at 663.

The Commission found that the dominant movement of grain into the South was by truck and that unregulated truck transportation of grain, which had increasingly depleted the SRS's prospective grain revenues, was the most substantial and rapidly growing competition facing the rails and easily comprised the dominant competitive force. It concluded that the SRS's rates were needed to meet truck competition and to enable the SRS to effectively participate in the movement of grain. The SRS was found free of predatory intent and the new rates were found not to constitute a destructive competitive practice violative of the national transportation policy. 318 I.C.C. 641 at 686 and 325 I.C.C. 752 at 773.

Today, wheat and coarse grains move into and throughout the South on rates reduced to take advantage of the increased capacity of the "Big John" hopper cars. However, it is still possible for wheat, flour, and coarse grains to move in the South in single-car shipments with transit, broad routing provisions, and generous demurrage rules. Because the trend in the South is toward more streamlined and cost-oriented service, most shipments of wheat and coarse grains move on lower single-car rates constructed on a point-to-point or mileage basis, without transit, and with restricted routing and demurrage provisions. These rates alternate with the still lower "Big John" rates.

The "Big John" rates and the related heavy loading single-car rates do not apply on flour, which moves into the South on much higher single-car rates. By application filed in 1968, certain railroads sought relief from the long- and short-haul provision of section 4 of the act in order to publish reduced joint single-factor rates on carload shipments of flour from origins in Southwestern and Western Trunk Line Territories to destinations in Southern Territory. The proposed rates consisted of two distance scales of rates, one with and one without transit, the latter uniformly 3 cents lower than the former. They represented reductions of over 20 percent below the present all-rail rates. *Grain, To, From and Within Southern Territory*, 340 I.C.C. 846, 847 (1972).

The Commission found that "the purpose of the proposed reductions *** [was] to afford origin millers an improved opportunity to compete with destination millers in the sale of flour primarily at the major southern markets of Birmingham, Mobile and Pensacola." 340 I.C.C. 846 at 849. It noted that millers outside of Southern Territory had been at competitive disadvantage since the early 1960's, when various grain rate reductions, including the "Big John" adjustment on wheat and other grains (but not on flour), had become effective. Those reductions had substantially revised the existing structure, so that wheat tonnage moving into the Southeast for milling into flour had substantially increased, while the movement of milled flour into that destination area had declined. 340 I.C.C. 846 at 849, 852. The Commission found that a special case had been made for fourth section relief, that the proposed rates would be compensatory, and that the projected additional traffic was needed to increase carriers' revenues. 340 I.C.C. 846 at 850-852. However, the proposal was found unlawful in violation of sections 2, 3(4), and 3(1),[11] since it would not apply on certain ex-barge movements and since it failed to encompass mills in Topeka, Kansas City, and East. St. Louis.

F. *Rates to and within the East*

The East was never included in the docket 17000 adjustment. According to the American Feed Manufacturers Association, all grain and grain products originally moved into and throughout the East on the McGraham Formula which established the Chicago to New York rate as the key rate. This formula provided full services and transit for large origin and destination groupings.[12] The large origin groupings in Illinois, Indiana, Ohio, and Michigan accorded grain shippers rail rates equal to those of their competitors.

Rates from these groups to every destination in the East reflected either percentages or arbitraries of the Chicago to New York rate. Therefore, from the western district into the East, the rates reflect the rate-break combinations to Chicago and the McGraham Formula beyond. According to the eastern railroads, the McGraham Formula continues to be the primary rate structure for grain products moving in official territory, but other rates now exist and have decreased its importance in the movement of whole grains, such as reduced unit-train rates on wheat. Some of these various other rates are discussed in ***Feed Grains to New England***, 356 I.C.C. 678, 682-683.

In ***Feed Grains***[13] the Commission investigated rail rates for transporting midwestern grain to New England. New England producers assailed these rates as preferring southeastern competitors. In addition, the New England producers requested initiation of rail-water routes.

The record showed that the New England production of broiler chickens and milk had declined from 1960 to 1973. The New England shippers attempted to establish a causal relationship between rail rates and the volume of production. They maintained that the disparity in rates between New England and southeastern destinations was caused, at least in part, by the Big John adjustments in the South.

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[11] Now codified as 49 U.S.C. 10741 and 10742.

[12] See ***Michigan Percentage Cases***, 47 I.C.C. 409 (1917).

[13] Pending on consolidated petitions for review ***sub nom***. New England Grain and Feed Council et al. v. I.C.C. and United States, D.C. Cir., civil action No. 77-1324 and Baltimore & Ohio R.R. Co. et al. v. I.C.C. and United States, D.C. Cir., civil action No. 77-1324.

The Commission, however, could not on the record before it conclude that the disparity in feed rates between the Northeast and the South caused lower broiler and egg production in the Northeast. Too many other factors, such as land costs, were involved. The Commission did, however, order the railroads to publish 10-car rates on feed grains from the Midwest into the Northeast. An anomaly was also found in the three-car mileage scale rates, and ordered removed.

G. *Rates to and within the Southwest*

The rate patterns governing the rail movement of coarse grains and soybean, cottonseed and alfalfa meal into and throughout the Southwest are complex. Different sets of rates alternate with one another so that the transit operator may select from a wide variety of rates with various minima and transit provisions to obtain the lowest transportation costs for the particular shipment. For example, proportional rates alternate with single-factor rates on movements from origins in the western district to Texas and New Mexico. Rates on wheat and wheat products are higher than the rates on coarse grains and coarse grain products, although both carry transit privileges that permit milling, storage, or manufacture in transit.

The lowest basis of transit rates, with limited routing, into and throughout the Southwest are competitively reduced combinations, the so-called "shrink" rates. These rates, originally published to meet truck competition in 1967, are available on movements of corn and soybeans from certain points in Arkansas, Oklahoma, Texas, Kansas, Missouri, and Nebraska.

In the Southwest, there have been no reductions in domestic rates on wheat since the 10-cent reduction in gathering rates in 1964. The traffic continues to move throughout the Southwest on a single-car basis. Domestic rates are higher than export rates.

In addition to the rates discussed above, the railroads in 1967 published multiple-car rates on corn and soybeans from specific origins in Illinois, Iowa, Kansas, Missouri, and Nebraska to Oklahoma, Texas, and New Mexico. These are the lowest rates into the Southwest and apply only in connection with restrictions designed to lower the cost of service. They are not subject to transit, inspection stops or diversions, and apply only on shipments of three cars, minimum 270 tons per shipment, on one bill of lading from one shipper to one consignee. They are subject to 1 free day for loading and 1 day for unloading.

XI

GENERAL RATE INCREASES, DIVERSION, AND DISTORTION

Numerous parties commented on the effects of general rate increases. Except for the railroads and a few others, most felt that they resulted in diversion to other modes or distortion of the rate structure.

Views varied on the extent and causes of, and even the possible solutions to the diversion of grain and grain products traffic from rail to truck and barge. The prime reasons offered are high rates compounded by general rate increases. Other reasons suggested include: severe railcar shortages, poor rail service, lack of proper rail equipment, lower truck rates and greater truck efficiency resulting from improved interstate roads. The main arguments are as follows.

A. *High rail rates as a cause of diversion*

1. *North Dakota.*—The North Dakota State Wheat Commission and the North Dakota Public Service Commission (NDWC) maintain that rate adjustments by the railroads in response to traffic diversion by other modes usually occur long after significant revenues are lost and, in some situations, the railroads fail to even attempt to meet competition. For example, despite differences in competition, the same rates and rate increases are applied from North Dakota to both Minneapolis and Duluth. Yet, the railroads are said to enjoy a virtual monopoly to Minneapolis, but encounter substantial truck competition on movments to Duluth. The rail share of traffic to Duluth is said to have dropped to 19 percent in 1972-73 because of the railroads' failure to adjust rates. Subsequent increases in the rail share are attributed to higher fuel costs per ton-mile for trucks.

With regard to barley in the same area, the Duluth Board of Trade, Inc., the Seaway Port Authority of Duluth, and the Superior Board of Harbor Commissioners indicate that Minnesota, Montana, North Dakota, and South Dakota produce approximately 50 percent of all barley in the United States, much of which moves through the markets of Minneapolis-St. Paul and Duluth-Superior. They indicate that truck receipts of barley at the Twin Cities over the 9-year period from 1965 to 1974 averaged 1 percent of total receipts;

whereas, in the same period, truck receipts at the Twin Ports averaged slightly over 51 percent of total receipts. They warn, however, that rail rates from origin territory to the Twin Cities should not be raised because of the high percentage of rail movements.

High barley rates from origin territory to the Twin Ports allegedly have caused the diversion of from 23 to 75 percent of the entire movement to truck. These parties believe that rate readjustments would enable the railroads to retain a large share of barley movements. They urge reduced export rail rates since the major portion of the barley receipts at the Twin Ports is for export.

2. *Pacific Northwest.*—Because there are alternative modes of transportation available in the Northwest, general increases of rail grain rates tend to shift more of the movements to truck and barge, according to the Pacific Northwest Grain and Grain Products Association. While rail rates from some points appear depressed by competition, these parties point out that they are still higher than truck-barge combination rates, which must be met to attract volume movements.

General rate increases in the region are assailed as destroying markets and preventing commodities from moving freely in the channels of commerce. They are also criticized as self-defeating and regressive since they deny individual carriers revenues they would have received. Further, they are faulted as a poor substitute for aggressive managerial activity in attempting to find alternative means of improving carrier financial structures. Such activities include cost control, improved productivity of personnel and plant, full and complete use of technological opportunities, and application of sound business principles in attracting and retaining traffic.

Other northwest millers agree and point out that the effects of general rate increases have been reduced participation in the California market and the diversion of Montana grain traffic from rail to truck.

3. *Midwest.*—The Board of Trade of the City of Chicago indicates that rail shipments into Chicago have decreased, while truck receipts have grown. This development is attributed to gathering rail rates far in excess of truck rates and reduced single- and multiple-carload rates to the South and East from areas where grain would otherwise flow to Chicago. It notes that in 1971 motor carriers delivered more grain to Chicago than railroads for the first time in its history. The railroads' share of total receipts further decreased to 33.4 percent by 1975.

4. *Milling interests.*—A number of millers expressed concern regarding the effects of general rate increases. A widely shared opinion is that general rate increases are self-defeating. The views expressed by Pillsbury are representative.

It criticizes general rail rate increases as enabling motor carriers to capture traffic. Pillsbury asserts that each rail rate increase prompts it to compare rail rates and services with those of other transportation modes. Moreover, it assails general increases as disrupting competitive relationships because flour generally moves at higher rates than wheat. Pillsbury points out that the miller located near the source is disadvantaged in relation to the miller at destination. These disadvantages, Pillsbury further notes, are widened by general rate increases. Pillsbury also complains the general rate increases have not resulted in better rail service.

B. *Rail service as a cause of diversion*

Many parties observed that poor rail service, especially when coupled with noncompetitive rates, causes diversion to other modes. For example, the Texas Grain and Feed Association states that an increasing amount of inbound wheat, outbound flour, and other wheat products is being transported by trucks because of rail general rate increases, special rail rates on wheat not applicable on flour, and deterioration of rail service.

Others single out poor service as *the* most important cause of diversion. Indiana notes that rates are increased on the assumption that this will generate more revenue, while shipper interest in quality of service is overlooked. The result is increased diversion of traffic to trucks. Indiana further complains that general increases have not resulted in improvements of the railroads' physical properties or services.

Several parties contend that while railroads provide an essential service, the receipt and transport of grains should be faster and more efficient. The railroads also are criticized for failing to effectively distribute railcars to country elevators. Moreover, many cars in nonwheat contractual arrangements are said to be poorly utilized. A recurring criticism is that rail services have been deteriorating despite the various general increases.

Severe railcar shortages and deplorable switching service since 1972, according to the Missouri Farmers Association, Inc., have compelled its members to purchase a fleet of trucks to transport grain.

Indiana attributes the decline of the eastern railroads to inadequate car supply, poor train services, and deteriorated roadbed and track.

The North Dakota Farmers Union requests quicker service to allow use of the spot market at Minneapolis, track maintenance based on the volume of movement, service consistent with the need of shippers, and improving the condition of boxcars used to supplement covered hopper fleets.

Allied Mills, Inc. (Allied) points to a study in July 1975 of some 1,200 cars furnished by the railroads disclosing that about 20 percent of the cars were either rejected or required additional expense to make them suitable for loading. Allied further states that carriers often are not present at or waive inspection of damaged cars, that claims are often declined for unrelated reasons, and that service and rate problems often result in protracted controversy, with the solution arriving too late to be of value in the movement of products. One of the largest problems it faces is unpredictable transit time for the various ingredients used in its feeds. Delays due to erratic service lead to demurrage and often require premium transportation to satisfy customer needs.

The Soo Line Railroad (Soo Line) attributes poor rail service to inadequate revenues. It contends that freight revenues at current rate levels and traffic volume simply inhibit railroads from rendering efficient service and produce insufficient funds for maintenance and capital improvement programs during today's spiraling inflation. The Milwaukee Road points out that while rail carriers pay for their own rights-of-way and contribute through taxes towards maintaining the waterways and highways, barges pay no right-of-way costs and trucks only a part of theirs. This carrier notes that expenses for specialized equipment and its maintenance has increased, and stresses the importance of freight rates high enough to allow for replacement of equipment.

The SRS maintains that much of the revenue derived from general rate increases cannot be used for service improvements because little remains after the additional revenues are applied to the increasing costs of operation.

The eastern railroads note significant improvements in efficiency and competitive position through the use of covered hopper cars and unit trains. The N&W, for example, purchased 3,000 such cars between 1969 and 1976, 89 percent of which were in grain service by 1976. The increased use of unit trains, according to this party, is the primary reason for purchasing covered hopper cars. Cars in unit-train service for 1973 and 1974 are productively employed, making twice as many trips as cars in regular service. The efficiency of unit-train service is also cited by the Baltimore and Ohio Railroad Company and the Chesapeake and Ohio Railway Company. These carriers note that in 1974 covered hopper cars in unit-train service averaged 3.21 trips per month compared to 1.24 trips per month for those in general grain service, producing increased tonnages and revenues.

The N&W contends that unit trains were indispensable in the movement of large amounts of grain during the Russian grain sale in 1972. Indeed, unit trains are credited with the eastern railroads' retention of traffic that would otherwise move for export through Gulf ports.

The St. Louis-San Francisco Railway Company notes that an increasing number of country elevators are altering their facilities to accommodate the 25 to 50 car trains which provide improved service at reduced rates. It contends, however, that rail service deficiencies, such as car shortages, are impossible to correct, given the sudden demand for cars during the harvest season.

C. *Increased motor and barge competition as a cause of diversion*

Many parties show that greater competition from unregulated trucks and barges for the transportation of grain and grain products are an important cause of diversion.

For example, the Missouri Department of Agriculture attributes a decline in the amount of grain moving into the St. Louis market to increased barge movements bypassing this market. Increased truck competition is said to be responsible for the railroads' declining share of total grain shipped into St. Louis, which dropped by almost 50 percent between 1966-74, while truck movements increased significantly.

The Union Pacific agrees that competition by unregulated modes has presented problems for the railroads, and cites certain rail rates depressed to meet barge competition.

The Soo Line also observes that it is not feasible to establish a grain rate structure competitive with trucks carrying grain in backhaul operations. It contends that some railroads would go bankrupt if North Dakota rates, for example, were reduced..

D. *Suggested solutions to diversion*

Several solutions to the diversion problem were offered.

1. *Exemption.*—To stem diversion, the Rock Island has two suggestions. First, it proposes the elimination of truck and barge exemptions from regulation when hauling agricultural commodities. However, as this suggestion is beyond our jurisdiction, it will not be considered further. Alternatively, the Rock Island proposes permitting railroads to designate at least 50 percent of their grain carrying fleet for which any rate could be charged, published or not. In support of these suggestions, the Rock Island contends that if it is necessary to exempt any article from regulation, the mode of transportation should have no bearing.

The Commission considered exempting the rail transportation of grain in Ex Parte No. 346 (Sub-No. 1), *Rail General Exemption Authority—Fresh Fruits and Vegetables*, served December 6, 1978. In that proceeding there was strong shipper opposition. A general exemption of grain and grain products was not found warranted because the railroads share of this particular market (unlike fresh fruits and vegetables) appeared to be extensive and in many cases dominant. However, in Ex Parte No. 346 (Sub-No. 1), exemptions for specific markets remained a possibility if supported by data detailing the railroads' share of the particular market. Such specific data, it should be noted, did not accompany Rock Island's proposal here. For this reason, Rock Island's proposal will not be considered further.

2. *Bimodal approach.*—Another altnerative is offered by the CNW. It believes the most efficient system for transporting grain is movement from country origin by truck and multiple-car rail transport from subterminal elevators to ports and major consuming points. This bimodal approach in its opinion substantially improves the utilization of equipment and conservation of fuel.

3. *Reduced rates.*—The State of Iowa focuses on multiple-car movements. It observes that 62 percent of all Iowa corn, soybeans, and oats available for transportation were moved by railroad in 1966. This percentage temporarily dropped to just over 35 percent by 1968, but has increased steadily during the past several years. It attributes the increasing rail share to reduced rates on multiple-car movements, unit trains, and similar concepts. These rates, it notes, reflect lower costs and more efficient utilization of capital.

4. *Cost of service in lieu of value of service ratemaking.*—Another approach is taken by the States of Utah and Colorado and the SPS. They contend that a system of rates based on cost and selective increases where and when necessary would be preferable to the present system.

General rate increases are assailed as falsely presuming that the carriers have an equal need, that current rates are equitable, that shippers are willing to pay higher transportation costs, and that increases will, in fact, produce greater rail revenue. Because of these considerations, the State of Utah recommends cost-oriented rather than the value of service ratemaking. It suggests that the Commission, with the support of the Department of Transportation, develop a simple method of costing. Rates based on territories, and rates designed to sustain questionable service lines, should be deemphasized in favor of point-to-point rates based on a specific costing procedure.

SPS acknowledges that carriers have a right to recover increased costs in a period of spiraling inflation but contends that rates and increases in rates should bear a close relationship to the costs incurred in providing the service. They maintain that if terminal and line-haul costs increase at different rates, rail rate increases would best be allocated by applying a flat dollar increase per hundredweight to recover terminal costs, and a flat percentage increase to recover line-haul costs. Percentage increases are to be preferred in apportioning rate increases among shippers when terminal and line-haul costs rise at a similar rate.

E. *Support for general rate increases*

Many parties contend that general rate increases neither have been self-defeating nor caused distortions. This opinion, held primarily by the railroads, is typified by the Illinois Central-Gulf Railroad (ICG).

The ICG indicates that corn and soybean exports from the Southern Territory ports more than doubled during the period 1967 through 1974. This data tends to support its contention that the various general rate increases per se do not cause diversion of traffic from the rails. It claims a greater danger of diversion arises because of service deficiencies and a lack of proper equipment. It defends general rate increases as necessary to permit improvements and maintenance and thus as contributing to the retention of rail traffic.

Further, according to ICG, general rate increases on grain and grain products have not caused disparities or distortions between competing shippers or localities. Nor have they caused any uneven effect on revenues. In support of this latter contention it indicates that its total freight revenue has remained almost constant during the last 10 or more years. While general rate increases therefore have been an invaluable help in meeting the cost of inflation, nevertheless, they have barely helped pay for the rising cost of doing business since 1967.

The CNW argues that unregulated truck and barge transportation systems can make changes in their rate structure, upward or downward, without public notice. It suggests that the 30-day notice period which railroads must give in publishing increased or reduced rates be eliminated or made applicable to its truck and barge competitors.

F. *General increases as a cause of preferences and distortions*

While the railroads would not concede that preferences or distortions result because of the general rate increases, numerous other parties argue that they do. General rate increases are assailed as destroying rate relationships between commodities and areas, disrupting competition, and placing an unreasonable burden on individual shippers. Further, the Montana Public Service Commission and the Colorado Wheat Administrative Committee and New England argue that general rate increases are especially inequitable to shippers and localities farthest from the destination. There is some merit to these allegations. But any distortions should minimized by the other activities, such as cost based ratemaking which the Commission is encouraging in this report.

XII

GATHERING RATES

Some parties question whether the gathering rates, paid by the farmer from the country subterminal or elevator to the primary market, are reasonable. These rates vary widely throughout the country, depending on such factors as location, railcar choice, grain type, and, especially, competition. The rates themselves are often high.

The USDA, along with other parties, contends that gathering rates are, in general, excessive. It and North Dakota assert that the high level of gathering rates in comparison to the low level of outbound rates from the transit point place a disproportionate share of bearing the revenue needs of the railroads on farmers. North Dakota urges that the railroads and flour millers justify these differences in light of the prohibition against unduly preferential or discriminatory rates. In reply, Soo Line disputes that gathering rates have risen as much as North Dakota alleges.

Some railroads, notably the Soo Line and the Union Pacific, contend that the handling of grain is the only justification for the continued existence of their branch line systems. If gathering rates were reduced, the Union Pacific further states, it would have to reevaluate continuing service over these lines. Moreover, reduction in gathering rates would precipitate increased proportional rates, according to the Burlington Northern. The burden of these increased rates would either be passed on to the consumer, or the price of grain would fall as millers might be unwilling to absorb the increased transportation cost.

Other railroads point out that gathering rates have already been lowered to meet truck competition. The Soo Line suggests it may already be necessary to raise proportional rates if gathering rates are further reduced, while the Penn Central Transportation Company (now Conrail) states that the past reductions all proved unsuccessful because truck rates were (and are) not regulated.

The National Association of Wheat Growers claims that continued increases in rail rates, compounded by what it calls disproportionately high gathering rates, could cause growers to retire land. This, it posits, would result in a loss of traffic to the rails. Similarly, the Sioux City Grain Exchange postulates that more grain would move, and greater revenues would result, if gathering rates to the markets and proportional rates from them were reduced to the level of the through rates.

The Board of Trade of the City of Chicago maintains that comparing gathering rates to Chicago with those to other terminals from the same origin territory indicates a double standard of ratemaking. It contends that single-line rates published by the individual carriers for movements to Chicago are, in many instances, three times higher than those published to other terminals to which tariff miles are the same or greater. It specifically assails high gathering rates as having caused diversion to truck movements. The cost and revenue data on gathering rates is included in the general discussion of cost data immediately following.

XIII

Cost Data

Parties submitting cost and revenue data and analyses are identified in appendix C where the particular analyses are also evaluated.

Both the raw data and the analyses of them by the parties were informative. Most of the analyses, however, presented an incomplete picture by failing to adequately consider the presence of transit in the rate structure.

Transit is so entwined in the grain rate structure that cost and revenue comparisons on a movement where transit occurs (*e.g.*, an inbound movement to a transit point) provide a complete picture only if cost and revenue data on the outbound movement are also included. Unfortunately, the parties generally failed to provide such data.

Because of the method by which transit charges are determined, high charges on the inbound movement (*e.g.*, wheat from origin to the transit point) result in lower charges on the outbound movement (i.e., wheat flour from transit point to final destination). The method of computing those charges is complex and is discussed in some depth earlier in this report. Briefly, charges on the outbound movement are normally calculated by substracting charges already paid on the inbound movement from the charges that would have been applicable on the through movement (i.e., from origin to destination). As a result, if transit is accorded to mill wheat into wheat flour en route from origin to destination, to the extent that the charge on the inbound movement (*e.g.*, wheat from the origin to the mill) is high, the transit balance due on the subsequent related movement of flour to the final destination will be reduced.

Because the high revenues on the inbound movements (i.e., revenues resulting from the generally high gathering rates) of transited shipments are offset to some extent by reduced and at time even inadequate revenues on the outbound movement, the two should be viewed together. Indeed, General Mills, Inc., faults the Commission's 1972 "burden study" as misleading because it views the compensativeness of rates on wheat, for example, without at the same time considering the compensativeness of those on flour (*e.g.*, the outbound movement).

It is also because of generally high revenues on the inbound movement (i.e., gathering rates) that the USDA claims that the farmer is being asked to pay charges that are too high. Cost studies submitted by various parties, such as Anheuser-Bush and the Upper Great Plains Transportation Institute, confirm the presence of highly compensative inbound movements to transit points. (See appendix C.)

While these cost studies are informative on the compensativeness of essentially inbound movements to a transit point, as noted, their failure to provide any data on the compensativeness of the related outbound movements undercuts their usefulness.

A highly informative cost and revenue study was submitted by SPS. This study, discussed in appendix C, analyzed a large number of transited and nontransited movements in five territories. The analysis concluded that in the aggregate nontransited movements were highly compensative whereas, in contrast, transited movements were compensative in only one of the five territories. The SPS data is confirmed by data produced by our staff and set forth in appendix D. This data indicates the presence of substantial cross-subsidization in the rate structure, with revenues from nontransited movements, in effect, subsidizing many transited movements. This data also shows that on transited movements, inadequate revenues on the outbound leg as a general proposition are being offset by more than adequate revenues on the inbound movements.

XIV

EXPORT/DOMESTIC RATE RELATIONSHIPS

The United States possesses a substantial capacity for food production relative to other countries and is the largest exporter of grain and grain products in the world.[14] Grain exports in the 1970's have provided our farmers substantial returns and have been a positive factor in U.S. balance of payments. Most exported wheat, according the SPS, leaves this country from the port region[15] closest to the area of production. Exports are largely grains and not finished grain products.

Shipments moving for export generally do so at lower rates than shipments for domestic consumption. Several parties question whether conditions which warranted this differential in the first place are still present today.

The differential arose in response to the marked increase in U.S. grain production in relation to domestic demand in the 1950's and early 1960's. Grain prices remained depressed throughout much of this period and, as a result, substantial amounts of grain were purchased by the Commodity Credit Corporation under its price support program. When it became apparent that the growing stocks would have to be reduced in some manner, foreign markets became an attractive source of new demand. Export rail rates were reduced to facilitate these foreign sales.

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[14] According to the USDA, American farms produce enough grain surplus to export nearly 60 percent of wheat and rice, nearly 50 percent of soybean, 25 percent of grain sorghum, and a little over 20 percent of corn production.

[15] Grain can be exported from the four major port areas within the United States. They are the Atlantic ports of Baltimore, Norfolk, New York, and Philadelphia; the Great Lakes ports of Chicago, Duluth, Saginaw, Superior, and Toledo; the series of ports along the Gulf of Mexico; and the Pacific coast ports of California, the Columbia River, and Puget Sound, which include the ports of Portland and Seattle. Other possible ports for grain export include those located in Canada along the St. Lawrence Seaway, such as Montreal, and the United States' port of Buffalo.

Parties contending that the factors which supported reductions in export grain rates no longer exist include the SPS. They explain that by 1971, worldwide grain shortages had depleted Government grain stocks and established the United States as the price setter in the world grain market. Grain shortages during the past several years are said to have pushed the world price of grain above the domestic price. As a result, exporters are able to offer a premium price for grain and take as much grain as they can. For this reason, the differential may no longer be justified. In day-to-day grain trading, they note that domestic buyers compete directly with the export traders and must offer prices that reflect revenue to the country elevators equal to or greater than that offered by the export traders. Consequently, under the differential domestic buyers suffer a competitive disadvantage. Exporters can and do bid higher for available grain and still receive a comparable return.

According to some parties, however, the issue is not whether the conditions giving rise to the differential are present today but rather one of cost. These parties contend that lower rates on grain moving for export are justified because of economies in their movement, *e.g.*, fewer accessorial services.

While the record indicates that changing conditions certainly warrant at least reexamination the differential between domestic and export grain rates, in so doing weight must also be given to the extent that the differential is now entwined into the rate structure and the effect any change on it will have on grain interests.

It would, for example, harm some producers and carriers. Indiana illustrates this by pointing out that increasing export rail rates to the level of domestic rates might result in erosion of eastern export traffic. In addition, it allegedly would destroy the last large market for Indiana grain, corn in particular.

XV

BARGE-RAIL RATES

Prior to 1947 the railroads often did not accord traffic received from a connecting barge line the same treatment given to traffic received from connecting railroads. A number of court decisions, however, made it clear that such disparate treatment was unlawful.

In *Interstate Commerce Commission* v. *Mechling*, 330 U.S. 567 (1947), the Supreme Court found that ex-barge grain rates east from Chicago, 3 cents per hundred pounds higher than rates for ex-rail grain, violated the Transportation Act of 1940, which required the Commission "to fix rates which would preserve for shippers the inherent advantages of barge transportation: lower cost of equipment, operation and therefore service." *Mechling* at 575. The Court also noted that section 3(4) of the act, (now codified at 49 U.S.C. 10742) which forbids carriers to discriminate in their rates, fares, and charges among connecting carriers, precluded the Commission from approving barge-rail rates in excess of all-rail rates.

The problem of higher ex-barge rates arose again in the transportation of sulfur from Galveston, TX, to Danville, IL. For this movement, the railroads established a joint all-rail rate lower than the combination rate previously applied among the rail carriers. The new joint rate was also lower than the combination rail-barge rate. The railroads refused the request by the barge lines to establish a similarly reduced joint rail-barge rate lower than the combination rate. The Supreme Court in *Dixie Carriers* v. *United States*, 351 U.S. 56 (1956), found that the refusal of the railroads to establish such joint rates discriminated against the barges as connecting carriers in violation of the Interstate Commerce Act, as amended by the Transportation Act of 1940. The Court noted the policy of Congress to preserve all the inherent advantages of water carriers, and that "a joint barge-rail rate must be established when it appears, as here, that a joint rail rate discriminates against the water carriers." *Dixie Carriers* at 61. The Court held that it was unlawful under section 3(4) of the act (now 49 U.S.C. 10742) for a railroad to refuse to join in through routes and joint rates with a water carrier when it has already joined in such routes and rates with a connecting rail line.

In *Arrow Transportation Co.* v. *United States*, 176 F. Supp. 411 (N. D. Ala. 1959), the barge lines sought relief from the railroad policy of applying the full local rates for the shipment of ex-barge grain from the Tennessee River ports, while granting more favorable treatment to ex-rail grain shipped from the same port. The district court found that the rates deprived shippers of the economies resulting from the use of barge transportation. It decided that the higher rates on ex-barge grain violated the act and remanded the case to the Commission with instructions to enter an order prescribing nondiscriminatory rates on ex-barge traffic from the Tennessee River ports to destinations in the Southeast.

These decisions coupled with technological developments discussed above have been instrumental in stimulating the barge movement of grain. Barge competition has a significant influence on rail rates in areas of the country where the two modes compete.

XVI

PORT EQUALIZATION

A few parties raised the issue of port equalization in their evidence. However, as the Rail Services Planning Office has recently completed a detailed study of port equalization, no further consideration of the topic will be given in this report. We will be reviewing the issues raised in that report and in No. 36491 (Sub-No. 1), ***Wheat, Oklahoma and Kansas to Texas Gulf Ports.***

XVII

DISCUSSION AND CONCLUSIONS

A number of conclusions with regard to the development and future of the grain rate structure can be drawn from the evidence of record. Of these the most important are:

(1) Technological developments have substantially enhanced the capability of motor and barge carriers in some areas to move grain and grain related traffic (see section VI above).

(2) The presence of this competition necessitates revisions in the grain rate structure, including the elimination or curtailment of transit and the greater use of mileage scale rates, to align rail rates more closely with costs.

(3) Such action directed toward more cost-oriented ratemaking is needed to improve the financial condition of railroads and to enable them as a group to compete more effectively as well as constructively with motor and barge competition for the grain traffic.

(4) Including a charge for transit in the line-haul rate is a significant obstacle to cost-oriented ratemaking, and its benefits are seemingly outweighed today by the extent that it inhibits the more cost-oriented pricing need by the railroads.

(5) Action is needed to advance the publication of separate rates for distinct rail services involving grain, especially transit and inspections.

(6) That (in addition to cost-oriented rates) improvements in car supply and service are needed generally to enhance the railroads' ability to meet barge and motor competition.

(7) That grain traffic is, to some extent, seasonal in nature (although surges in traffic may be triggered by other events as well); and an inadequate car supply during peak-demand periods is an important factor contributing to diversion.

(8) That the publication of seasonal and demand-sensitive rates has been limited despite their significant promise in improving car supply and service.

(9) That general increases may at times irreversably precipitate diversion of already profitable traffic, and for this reason, selective rate adjustments should be encouraged.

(10) That differing rates on domestic and export grain movements may no longer be justified and that readdressing the matter in the light of current economic conditions is appropriate.

(11) That comment should be requested on what action is appropriate to expedite incorporation into the grain rate structure of: (a) greater use of seasonal and demand-sensitive rates, (b) separate rates for distinct rail services, especially transit; and (c) appropriate domestic and export rate relationships in view of today's economic conditions.

A. *Rail ratemaking and intermodal competition*

1. *Competition necessitating cost-oriented ratemaking.*—In setting forth our reasons for reaching these conclusions we shall start by noting the significant impact motor and barge competition has had on the grain rate structure, beginning in the 1950's. Prior to the appearance of formidable motor competition, the railroads held most of the grain traffic captive. Although there was barge competition for some movements, and the trucking industry was growing in the 1930's and 1940's, it was not until the 1950's that motor and motor/barge carriage began to significantly divert grain traffic from the railroads.

During the period when the traffic was largely captive, the Commission could freely use provisions in the act, especially section 3,[16] to compel the railroads to accord comparable rates to producers and processors when necessary to enable them to compete for a particular market.[17] Comparable treatment was also required on different commodities, such as grain and its products, where necessary to protect against injury.[18] Transit privileges and liberal routing provisions, although, in part, prompted initially by competition between railroads, also served to nullify minor and at times even major transportation advantages and disadvantages between distant producers and processors. Widespread group ratemaking also worked toward this result. A common end product was cross-subsidization.

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[16] Now 49 U.S.C. 10741.

[17] See *Grain and Grain Products*, 205 I.C.C. 301, 406; *Wheat Products From Twin Cities to Chicago*, 218 I.C.C. 27 (1936); *Grain To, From, and Within Southern Territory*, 259 I.C.C. 629 (1946); *Royal Feed & Milling Co. v. Arkansas & L. M. Ry. Co.*, 281 I.C.C. 145 (1951).

Rail ratemaking bearing little relationship with the costs of providing service on individual movements was also, in part, the result of difficulties in rail costing. Indeed, costing rail traffic remains a problem today because of the presence of transit in the line-haul rate structure, as noted in section XIII, above.

That the grain rate structure retains substantial cross-subsidization despite important carrier initiatives in the South and elsewhere beginning in the 1950's to align rail rates more closely with costs, is shown by the cost and revenue data of record, especially that set forth in appendix D.

A comparison of cost and revenue data on movements introduced into evidence in this proceeding discloses that, overall, charges range widely in relation to the cost of providing the service involved, varying from the highly remunerative to the clearly noncompensatory. The data discloses wide variations in remunerativeness on various movements of specific commodities. In addition, it also shows that nontransited traffic is, as a rule, compensatory while transited traffic often is not; and that on transited movements, charges on the inbound leg are often high whereas charges on the outbound leg are often below variable costs. While there are limitations on drawing inferences from this data (noted in section XIII, above), the data undeniably discloses the continued presence of substantial cross-subsidization within the grain rate structure.

The cross-subsidization harms the railroads when in competition with motor and barge carriers, causing them to lose some traffic they should have and to retain some traffic that does not pay its way. Because of this competition and the financial problem being encountered by a number of railroads today, there is a need to realign grain rates more closely with costs.

Prior to the growth of formidable motor and barge competition and the financial problems of the railroad industry, the lack of a cost-oriented rate structure was not detrimental to the railroads and, from a public policy viewpoint, was clearly desirable to the extent that it made possible a rate structure which fostered the ability of producers and processors to compete on their own producing and processing efficiencies without regard to interrailroad competition or geographic distance from market. However, technological developments leading to the growth of motor and water transportation for the grain traffic in many areas today, and the related problems of the railroad industry, have seriously eroded the ability of the railroads in these areas to continue to publish rates bearing little relationship to the actual costs of providing service on particular movements.

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[18] *Grain and Grain Products*, 205 I.C.C. 301, 406.

In the past, inadequate revenues on some rail traffic could be offset by higher than otherwise cost-justified charges on other traffic. Today in many areas such cross-subsidization is no longer feasible simply because it may result in the loss of profitable traffic. Moreover, in view of the financial decline of many carriers such cross-subsidization is, in fact, harmful where it results in their retaining traffic that, from an economic viewpoint, they would be better off without.

Where competition from motor and motor/barge carriage exists for already profitable traffic, it encroaches on the ability of this segment of traffic to continue to be used to underwrite the cost of service on unprofitable traffic. (The widespread presence of this competition in some areas of the country is documented in prior sections of this report and therefore need not be repeated here. The widespread cross-subsidization in the grain rate structure is shown by the data in appendix D.) When rates on already profitable traffic are raised (*e.g.*, a general increase) where there is competition, diversion is risked, and if it occurs, the loss may be irreparable. While the railroad involved may attempt to recapture lost traffic by reducing the rate to its prior level, such action can often be futile because of service considerations or shipper commitment to an alternative mode.

On the other hand, rates and charges that are unduly low should be raised. Many of the carriers simply can no longer financially absorb these costs and, as noted, motor and motor/barge competition today often limits the opportunity to offset them with higher revenues on other profitable traffic. (Identifying inadequate charges, however, is a problem because of transit, as will be further discussed below.) If raising rates to a compensative level results in the traffic being lost, it appear the railroad is not the low price mode and the equipment can be used more productively elsewhere.[19] The suggestion of CNW calling for a bimodal approach (and discussed in section XI, part D, subsection 2) is relevant here.

A bimodal approach has much to offer both the railroads and the public. Where alternative transportation exists and the nature of the traffic does not capitalize on the economies of rail transportation, rail equipment should not be tied up at less than optimal use, but instead, reemployed more productively, with the corresponding savings passed on to the shipper (and ultimately the consumer) in the form of lower, cost-related charges.

If raising charges on traffic which does not capitalize on the economies of rail transportation to a compensative level, however, does not result in loss of the traffic, but instead, generates additional revenues for the carrier, these revenues can be used to improve service and contribute to the financial strength of the carrier.

2. *Transit as an obstacle to cost-oriented ratemaking.*—A prerequisite to more cost-oriented rates is the elimination or curtailment of transit as part of the line-haul rate. Such action, moreover, will remove inequities found in today's rate structure. Inequities in the rate structure caused by transit affect both carriers and shippers. For carriers, the cost of transit is borne by the transit granting carrier while the line-haul revenues are *shared* by all participating carriers. While transit is defended by some as keeping traffic on the rails that otherwise would be diverted, the cost of so doing is not proportionately borne by all the carriers benefiting from the revenues. Elimination of transit in the line-haul charges would remove this inequity and, in addition, facilitate the identification of traffic moving at rates that are inadequate. Transit is also inequitable insofar as shippers are concerned. While the privilege is available to all, not all can use it. And of those using it, the larger shippers do so more advantageously than smaller shippers who have fewer inbound movements to select from when attempting to minimize transit balances on outbound shipments.[20]

The record shows that to some extent the railroads have already been moving toward cost-oriented ratemaking in response to competition from barge and motor competition. Significant carrier initiatives in the South, for example, are noted in section X, part E, including *Grain and Grain Products*, 298 I.C.C. 261 (1956), in which the Commission modified the rate-break rule because of increasing truck competition, and *Omaha Grain Exc.* v. *Chicago B. & Q. R. Co.*, 322 I.C.C. 743 (1964), in which the Commission vacated the rate-break rule altogether on the grounds that it treated rates without regard to costs, tended to retard ratemaking and technical innovation, and may have produced a higher level of rates than might otherwise have been produced.[21]

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[19] Parties citing significant increases in productivity of cars in unit-train service include: the N&W and the Baltimore and Ohio Railroad Company (noted in section XI, above), and the CNW and the State of Iowa (noted in section XII, part D, subsections 2 and 3).

[20] Under the transit fiction, the *total* outbound rate can in some instances be based on the rate from *any* one of the points that originated any of the inbound shipments.

It is clear that further realignment of the rates on grains more closely with costs is needed in other areas of the country to stem the diversion of grain traffic to other modes. The railroads can and must respond to this competition with all the tools available. Cost-oriented ratemaking in the face of such competition and improved service (to be discussed below) are essential in meeting this challenge.

3. *Comparable treatments for competing producers and processors.*—Our recognition of the importance of a more cost-oriented rail rate structure in areas where there is motor and motor/barge competition as well as to correct inequities in the present rate structure does not imply that it is no longer necessary for the rail rate structure to continue to foster competition on as equal transportation terms as feasible between competing producers and processors. Such a goal (indeed requirement) remains in 49 U.S.C. 10741.[22] However, our recognition of the need for a more cost-oriented grain rate structure in the presence of motor, barge, and motor/barge competition acknowledges that competitive conditions have changed in many areas and that the rate structure must itself change to reflect these conditions. In addition, our recognition of the importance of a more cost-oriented rate structure also reflects the decline in the financial ability of some carriers to underwrite the cost of according comparable rate treatment to dissimilarly situated shippers.

Just as motor and barge competition in the South forced the realignment of rates with costs by means by mileage scales and the publication of separate charges for distinct rail services, such as transit, similar action is needed elsewhere where such competition poses a potential threat of diversion.

4. *Level of grain rates.*—Cost analyses (discussed in appendix C) introduced into the record by several parties were intended to show

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[21] This decision was overturned by the Supreme Court for failure to give adequate notice that Docket 17000—Part 7 was being reopened. *Chicago & N. W. R. Co.* v. *Chicago B. & Q. R. Co.*, 382 U.S. 422 (1966). The Commission then formally reopened Docket 17000—Part 7 and again vacated and set aside the absolute prescription of the rate-break rule, No. 17000, *Rate Structure Investigation, Part 7, Grain and Grain Products*, 329 I.C.C. 824 (1967).

[22] Formerly section 3 of the act.

highly compensative revenues on some movements, and did, in fact, do so. However, the analyses (as noted in section XIII, above) were deficient in a number of ways, including the failure to adequately consider transit. Transit remains so woven into the rate structure that the costs associated with it must be considered when assessing the profitability of the post-transit movement. We have already noted the extensive cross-subsidization in the grain rate structure. Because of cross-subsidization between segments of transited movements, both the inbound and outbound legs should be combined in assessing the overall compensativeness of any transited traffic. This is because high revenue on the inbound movement is often offset by low revenue on the outbound movement (where the revenue is the balance on the through movement). For this reason, no attempt can be made to rule on the reasonableness of the essentially inbound or outbound rates on grains and grain products standing alone on the present record. Moreover, in considering highly compensative gathering (i.e., inbound) rates, one carrier pointed out that if the track involved is not generally otherwise used, high rates are needed to cost-justify the retention of the line.

Our conclusion that the present record is insufficient to warrant any relief from gathering rates assailed as high does not imply that all such rates are reasonable. Rather, our conclusion merely reflects that because of the complexity of the grain rate structure, more sophisticated costing reflecting the complete picture is necessary to justify a finding that the rates involved are excessive. Parties that can show that when all factors[23] are considered, rail rates on grain still result in excessive carrier profits, are urged to initiate a complaint proceeding with the Commission and relief will be accorded.

5. ***Export/domestic rate relationship.***—Several parties submitted evidence showing that the factors which gave rise to differences between export and domestic rates may no longer exist. Moreover, we also recognize that the carriers must have greater flexibility to adjust their rates to attract traffic and meet competition. For these reasons a review of existing requirements over export and domestic rate relationships is in order.

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[23] Transited movements can be "costed" as follows. First, sampling procedures should be employed to randomly selected movements from transit waybills. The problem of "linking" the "inbound" movement with the related "outbound" movement (information not always available on the waybill itself) can be resolved by obtaining transit settling documents from the various Weighting and Inspection Bureaus. These documents are the key since they enable the matching of individual waybills of the respective railroads involved, and thereby the compilation of costs on all the segments of a complete through movement.

6. *General increases.*—We have discussed the importance of the railroads aligning their rates on grains and related products more closely with costs in areas where there is meaningful motor and barge competition. Many parties also commented on the harm general increases may do in the face of such competition, especially where the present rates are well in excess of costs. In such circumstances the general increase may unnecessarily precipitate diversion. Because general increases may be self-defeating for this reason, we encourage selective increases.

In our report to Congress as directed by section 202 of the 4R Act entitled "The Impact of the 4-R Act Railroad Ratemaking Provisions" dated October 5, 1977, we analyzed the feasibility of selective rate changes as opposed to general rate increases and concluded "that the railroads may reduce their risk of traffic diversion by using selective rate increases rather than the general rate increases described in this analysis." (Page 19.)

Selective increases, moreover, provide the mechanism for the carriers to begin aligning rates more closely with costs in the light of competitive considerations.

7. *Redressing the problem of transit.*—As noted earlier, transit results in inequities in the rate structure and obscures costing. The value of much of the cost and revenue data submitted in this proceeding was greatly diminished because of the failure to reflect the extent that transit is entwined in the rate structure. (See appendix C.) The transited movements that were analyzed, however, disclosed revenues that were often inadequate. (See appendix D.) In contrast, revenues on the nontransited movement were generally more than satisfactory. While transit has the benefit of helping inland processors meet competition [see 164 I.C.C. 619 (1930) and 205 I.C.C. 301 (1934)], we have already noted the offsetting disadvantage (besides inhibiting cost-oriented ratemaking and the problem of costing) in that it creates inequities between carriers and between shippers. The transit granting carrier bears the full cost and the larger shipper, who has more movements to pick and choose from, can use it more advantageously. See *Grain and Grain Products*, 164 I.C.C. 619 (1930). Indeed, North Dakota pointed out that while transit generally is included in the line-haul rate, only a small percentage of shipments it sampled were actually transited.

Section 202 of the 4R Act made it clear that separate rates for distinct rail services (i.e., transit) are to be encouraged. .

On February 4, 1977, the Commission adopted standards and expeditious procedures governing the publication of such rates (see

49 CFR 1109.15). While these rules encourage the publication of separate charges for transit and other distinct rail services and have been in effect for approximately 2 years, in general, carrier use of the provisions has been disappointing. One possible explanation has been the so-called "Wichita Doctrine" whereby if a separate charge is published for a service (i.e., transit) previously included in the line-haul rate, then the resulting line-haul rate must be shown to be reasonable.[24]

The key role separate charges for transit play in the development of a cost-oriented rate structure coupled with their limited publication to date despite our clear policy of encouraging them warrant our initiating some additional action to foster their publication. In Ex Parte No. 331, *Procedures For Publication of Separate Rates*, 355 I.C.C. 684, we adopted general standards and expeditious procedures governing the overall publication of separate rates for distinct rail services. One essential to ensuring the publication of such rates on grains and related products is more information why the carriers have not made fuller use of them. And, to the extent that one argument for retaining transit is that it facilitates the steady flow of grain throughout the year, we note that seasonal and demand-sensitive rates (discussed below) can further the same objective.

B. *Poor service as a cause of diversion*

Many of the parties attributed the diversion of grain traffic from the railroads to poor service and car supply as well as to high rates. We are extremely concerned about service and car supply. Car service orders and Ex Parte No. 270 (Sub-No. 2), *infra*, are two ways we are presently addressing this aspect of the problem. An additional approach is through the greater use of seasonal and demand-sensitive rates.

1. *Seasonal and demand-sensitive ratemaking to improve service.*—Seasonal and demand-sensitive ratemaking offers significant promise in alleviating periodic service and car supply problems. In Ex Parte No. 324, *Standards and Procedures For Railroad Rates*, 355 I.C.C. 521, we adopted rules governing and encouraged the publication of seasonal, regional, and demand-sensitive rates. While these rules (see 49 CFR 1109.15) have been in effect for almost 2 years, their use has been disappointing; the only major filing has been in the South.[25] Yet, on October 5, 1977,

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[24] *Atchison, T. & S.F. R. Co. v. Wichita Bd. of Trade*, 412 U.S. 800 (1973).

[25] No. 36663, *Demand-sensitive Rates on Grain and Soybeans, Southern Freight Association Territory*, reopened October 26, 1978.

in our "Report to Congress on the Impact of the 4-R Act Ratemaking Provisions," we noted the significant potential such rates could have on smoothing the "peaks and valleys" in car demand. We are aware of the concerns of shippers that seasonal and demand-sensitive rates might be misused by the carriers simply to put in higher rates, but believe that the present rules provide adequate safeguards against this possibility.

It seems most appropriate that the Commission develop a plan of action to advance the publication of seasonal and demand-sensitive rates on grain, related, and other commodities beneficial to both the shippers and the railroads.

2. *Terminal service standards to improve service.*—In Ex Parte No. 270 (Sub-No. 2), *Investigation of Railroad Freight Service*, 345 I.C.C. 2941, we considered arguments on the extent that improved rail freight service results from imposition of higher freight rates. In that proceeding we found that general increases have not produced improved service, and that rail services have been continually deteriorating. We noted, however, that improved rail service could generate capital investment and increased revenues far in excess of that which could be achieved through rate increases. We also found that the evidence was sufficient to warrant our developing a general terminal service formula. The purpose of this formula is to establish minimal capability performance standards governing the transportation of nonperishable commodities.

The evidence introduced in this proceeding supports conclusions reached in Ex Parte No. 270 (Sub-No. 2) that the quality of rail service has declined and further indicates that there are particular problems involved in the transportation of grain. As an example of our commitment to improvements in service, we have adopted a policy statement in Ex Parte No. 358, *Rail Contract Rates (General Policy Statements)*, served November 9, 1978, encouraging the use of contract rates to solve these problems.

C. Commission response to problems identified

The record shows that improvements in rail service as well as more cost-oriented grain ratemaking are needed by the railroads in many areas of the country to meet barge and motor competition as well as to improve their financial condtion. Yet despite Commission encouragement and specialized procedures to foster the publication of seasonal and demand-sensitive rates (which will result in improved service) as well as separate charges for distinct rail services (which advance a more cost-oriented grain rate structure), carrier initiatives in these areas have been disappointing.

Comments are therefore requested on how the Commission can further incorporate these two specific objectives into the rate structure on grains and grain products.

We also believe that our objective of fostering a more cost-oriented grain rate structure warrants examining the need for retaining differing rates on domestic and export movements in the light of changed economic conditions. Comments on what Commission action is most suited to meet this requirement are also requested.

Comments on the above matters discussed in this report, with particular emphasis on promoting the publication of seasonal and demand-sensitive grain rates, promoting the separation of charges for distinct rail services involving grain traffic, and appropriate action with regard to export and domestic rate relationships will be requested within 60 days from the date of publication of appropriate notice in the Federal Register. We recognize that the problems identified in this report are also encountered on commodities other than grain, but at this time we are only requesting comments on the matters addressed in this report. To facilitate our handling of these comments the Federal Register notice will indicate that they will be handled separately as follows:

COMMENTS REGARDING	SHOULD BE IDENTIFIED AS
(a) The publication of seasonal and demand-sensitive rates on grains and grain products.	Ex Parte No. 270 (Sub-No. 9A)
(b) Separate rates for distinct rail service on grains and grain products.	Ex Parte No. 270 (Sub-No. 9B)
(c) The continued need for a differential on domestic and export rates on grains.	Ex Parte No. 270 (Sub-No. 9C)

This decision is not a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969.

It is ordered:

That the proceeding be discontinued.

APPENDIX A

List of parties and abbreviations used

Allied Mills, Inc. (Allied)
American Corn Millers Federation
American Feed Manufacturers Association
Anheuser-Busch, Incorporated (Anheuser-Busch)
Archer Daniels Midland Company
Arkansas Poultry Federation and the Department of Agricultural Economics and Rural Sociology, University of Arkansas
Atchison, Topeka, and Santa Fe Railway (Santa Fe)
The Baltimore and Ohio Railroad Company
The Chesapeake and Ohio Railway Company
Barley and Malt Institute
The Board of Trade of the City of Chicago
The Board of Trade of Kansas City, Mo., Inc.
Brown County Board of Harbor Commissioners for the Port of Green Bay, Wisconsin
Cargill, Incorporated
Chicago and North Western Transportation Company (CNW)
Chicago, Milwaukee, St. Paul and Pacific Railroad (Milwaukee Road)
Chicago, Rock Island and Pacific Railroad (Rock Island)
Colorado Wheat Administrative Committee
The Corn Refiners Association, Inc.
Duluth Board of Trade, Inc., Seaway Port Authority of Duluth, and Superior Board of Harbor Commissioners
The Enid Board of Trade, Enid, Oklahoma
Erie Lackawanna Railway
FAR-MAR-CO, Inc.
Farmers Union Grain Terminal Association
Fort Worth Grain Exchange
FS Services Inc., Illinois Grain Corporation
Garvey, Inc.
General Mills, Inc.
Grain Sorghum Producers Association
Houston Port Bureau, Inc.
Illinois Central-Gulf Railroad Company (ICG)
Indiana, State of, Commissioner of Agriculture (Indiana)
International Multifoods Corporation
Iowa Department of Transportation
Krause Milling Company
Louisville and Nashville Railroad Company and Seaboard Coast Line Railroad Company (L&N)
The Minneapolis Grain Exchange
Minnesota Public Service Commission
Missouri Department of Agriculture
Missouri Farmers Association, Inc.
Missouri Pacific Railroad
Montana Public Service Commission

National Association of Wheat Growers
National Cottonseed Products Association, Inc., and Texas Cottonseed Crushers' Association, Inc.
National Soybean Processors Association
New Orleans Traffic and Transportation Bureau
Norfolk and Western Railway Company (N&W)
North Dakota Farmers Union
North Dakota Mill and Elevator Association
North Dakota State Wheat Commission and North Dakota Public Service Commission (NDWC)
Nueces County Navigation (District No. 1)
Pacific Northwest Flour Mills (Centennial Mills, Fisher Mills, Inc., and Terminal Flour Mills Company)
Pacific Northwest Grain and Grain Products Association
Penn Central Transportation Company
The Pillsbury Company (Pillsbury)
Producers Grain Corporation
Public Utilities Commission of the State of South Dakota
The Sioux City Grain Exchange
Soo Line Railroad
Southern Freight Association Territory
Southern Railway System (SRS)
Southern Weighing and Inspection Bureau
Special Projects Staff, Bureau of Investigations and Enforcement, Interstate Commerce Commission (SPS)
Texas Grain and Feed Association
Union Equity and Cooperative Exchange
Union Pacific Railroad Company (Union Pacific)
United States Department of Agriculture (USDA)
Utah Department of Agriculture

APPENDIX B

Glossary of terms used in this decision

Alternative rates.—Two or more rates of which the one producing the lowest charge is applicable.

Blanket rate.—A rate applicable from or to a group of points.

Car-mile.—A unit used in comparing freight earnings or expenses—the amount earned from or the cost of ***handling*** a car of freight 1 mile.

Combination rate.—A rate made by combining two or more rates published in different tariffs.

Demurrage.—A transportation charge assessed shippers by the carrier for the holding of cars after expiration of a specified period of free time, before or after movement, either in a carrier's car, on a carrier's track, or a combination of both.

Flat rate.—A local rate of a single carrier or a joint rate of two or more carriers published as a unit and not dependent for application on any previous or subsequent transportation.

Gateway.—A point of which freight moving from one territory to another is interchanged between transportation lines.

Gathering rate.—Rate charged from the country origin to the first market.

Inbound rate.—The rate (flat or local) into the primary market from the gathering point.

Interior markets.—Transit facilities located at junctions between the grain fields and the primary markets or between the primary markets and the major gateways or consuming destination.

Intermediate transit points.—See interior market.

Joint rate.—A rate published on behalf of two or more carriers which applies between a point on the line of one and a point on the line of the other. It may include, one or more intermediate lines of other railroads in its route.

Line-haul.—The movement or act of carriage over the tracks of a carrier from one point to another.

Local rate.—An independent rate applicable between two stations served by a single carrier.

Mileage rate.—Rules applicable according to distance.

Outbound rate.—The rate from the primary market to a final destination or to some other intermediate point such as another primary market. It may be a proportional rate or the transit balance of a through rate.

Paper rate.—A published rate under which no traffic moves.

Primary markets.—Localities possessing the capacity to accumulate grain in large quantities from nearby territories for ready shipment to changing markets.

Principal gateways.—Major distribution centers.

Proportional rates.—A local or joint rate dependent for application upon (1) prior transportation to the point from which the proportional rate applies, (2) subsequent transportation from the point to which the rate applies, or (3) both. It is specifically published to be used only as a factor in making a combination through rate and is generally lower than a flat rate between the same points.

Rate-break principle.—Through charges made by combinations of local rates to primary markets and proportional rates beyond. The rate-break system was prescribed in docket 17000, and was designed to correct chaotic conditions then existing in the rail rate structure.

Ton-mile.—A unit used in comparing freight earnings or expenses—the amount earned from, or the cost of, hauling a ton of freight 1 mile.

Through rate.—A rate applicable from point of origin to destination. A through rate may be a joint rate or a combination of two or more rates.

Transit (transit privilege).—A service granted or a shipment en route, such as milling, compressing, refining, et cetera.

Transit balance.—The remaining portion of the through rate that is paid when the shipment moves from the transit point to ultimate destination. For example:

Through rate	A to C	$1.00
Paid-in gathering rate	A to B	.60
Transit balance	B to C	.40

Waybill.—A document prepared by a transportation line at the point of origin of a shipment, showing the point of origin, destination, route, consignor, consignee, description of shipment, and amount charged for the transportation service, and forwarded with the shipment, or direct by mail, to the agent at the transfer point or waybill destination.

APPENDIX C

Revenue and cost data submitted by parties of record

Revenue and cost data on various movements of grain and grain products were submitted by (1) SPS, (2) the Upper Great Plains Transportation Institute (Institute), (3) Anheuser-Busch, (4) the Soo Line, (5) the Eastern Railroads, (6) the Southern Freight Association Territory (SFA), (7) the SRS, (8) the USDA, (9) General Mills, (10) Archer Daniels Midland Company (ADM), (11) the Utah Department of Agriculture, and (12) the Cottonseed Producers Association. Our assessment of this evidence is as follows.

The SPS introduced studies of nine categories of whole grains and grain products moving in the various territories of the United States. These categories included most of the whole grains and grain products identified by Standard Transportation Commodity Codes (STCC). Separate cost studies were developed for nontransit and transit shipments.

These studies indicate that revenues on nontransit movements *exceeded* their average variable costs of transportation on all the territorial commodity flows studied. However, in the case of transit shipments, four of the five terrritorial commodity flows studied had average variable costs which exceeded average revenues. These four territorial flows represented 83 percent of the sampled carloads moving in transit. The only territorial flow where average revenue exceeded average variable costs was the movement of animal and poultry feed within the Southwest. Average revenues exceeded average variable costs on these movements by $4.85 per car.

Although minor deficiencies are encountered in SPS's computations of the average variable cost and revenue for the territorial commodity flows, its computations reasonably depict *average* movements. However, because of the dangers inherent in SPS's method of developing costs for other than the *average* movement (based on a costline using only two points) such costs are highly suspect. Thus when SPS purports to identify specific movements as noncompensatory, the deficiencies in the costing methodology render such assessments unrealiable. To reliably cost *specific* movements, traffic studies and more refined costing would be needed.

Studies submitted on behalf of the Institute deal with barley and wheat movements from country origin points in North Dakota and Nebraska to storage or processing locations. Selected movements for 15 major wheat and 4 barley traffic flows were studied. Results indicate that rates on wheat moving from North Dakota and Nebraska to selected destinations are highly compensatory. For almost all movements revenues exceeded fully allocated costs. The same result was reached with respect to barley movements.

These studies are acceptable for judging the overall compensatory nature of the rate structure on wheat and barley movements from North Dakota and Nebraska points to the primary markets. However, the Institute's analysis is not acceptable for the purpose of ascertaining or pinpointing the compensatory nature of *specific* individual commodity movements into the *primary* markets. Furthermore, because the Institute failed to consider transit and the outbound movements of grain and grain products beyond the primary markets, no determination can be made as to the overall profitability of the wheat and barley movements *beyond these markets*.

Studies introduced on behalf of Anheuser-Busch included a cost analysis of barley movements from five origins in North Dakota to Minneapolis, MN, and selected rice movements from Arkansas and Louisiana to various other States. Its analysis indicates that on both the barley and rice movements examined, the rates are highly compensatory and the traffic is paying substantially more than the carriers' cost.

Analysis of Anheuser-Busch's cost methodology reveals that, with minor exceptions, territorial costs were properly developed for the particular segments of traffic studied. However, more definitive information would be needed before the Commission could find that the rafes on the specific movements are unreasonably high. Furthermore, the revenue-cost relationships on the entire movement of barley and barley products (malt) from point of first origin to final destination were not considered.

The Soo Line submitted a profitability analysis of barley and barley product movements over its lines for the year 1975. A limited study of wheat movements from country origin points to the Twin Cities over Soo Line rails in 1975 was also submitted. Neither revenues nor costs over connecting carriers, however, were embraced in either cost study.

The results of this barley study indicate that the average ratio of revenue to variable costs on the portion of the movements handled over the Soo Line's tracks was 166 percent. The limited study on the wheat movements over the Soo Line reflected an average ratio of rate to variable costs of 158 percent.

We have three criticisms of this study. First, it was limited to barley, barley products, and wheat traffic handled over the *Soo Line's* line: neither revenues nor costs over connecting carriers were considered. Thus, the study failed to reflect the *entire* revenue-cost picture on the movements selected. Secondly, transit was not considered on the wheat movements selected. Thirdly, we are unable to verify the results of the two cost studies since only the end products were shown and not the supporting individual calculations.

The Western Railroads, with the exception of the Soo Line, presented little in the way of cost evidence. The vast majority of information submitted related to financial data on the western district railroads, particularly the major grain carrying railroads.

The Eastern Railroads also submitted little in the way of cost evidence. Instead, they refer to the revenue-cost relationships on movements of grain and grain products found in the Commission's burden studies for the years 1966, 1969, and 1972. Based on these studies, they note:

(1) A low level of revenue-cost ratios on grain products in absolute terms, *e.g.*, deficits were encountered for all grain products for all years;

(2) A general decline from 1966 in the revenue-cost relationships on grain and grain products; and

(3) Revenue-cost relationships are generally move favorable nationally than on official territory movements.

The SFA introduced a cost study showing revenue-cost comparisons on transited grain products and feed moving within SFA territory. Costs were developed for various mileage intervals and minimum weights assuming movement in general service boxcars and covered hopper cars with one and two transit privileges.

The results of this cost study indicate that the rates generally fall below variable costs at the lower mileage intervals (generally below 400 miles) and slightly above variable costs at the higher mileage blocks. This was found to be true regardless of the minimum weights shown, type of car specified, or number of transit privileges allowed (one stop versus two stops).

SFA also attempted to show the increased expense of performing transit within the southern region for the period 1960 through April 1, 1975. This showing was based on a comparison of one-half of a territorial average terminal cost for the year 1960 and the year 1973, updated to the April 1, 1975 level. This analysis indicates that variable transit costs within the South have increased approximately 129 percent during this period.

The SRS presented a number of revenue-cost comparisons on transit shipments. SRS indicates that when the total revenue-cost ratio for all carriers involved in the six transit shipments studied are considered, the overall ratio of revenue to variable costs was 123.1 percent. However, SRS recognizes that total ratios are misleading because in reality only *one* carrier bears the entire expense of transit. For this reason it maintains that when the revenue-cost ratios for each carrier are broken down by segment of the shipment, the transit granting line is the most affected, normally resulting in deficit revenues to this carrier.

The USDA introduced a comparison of the revenue contribution being made on three major grain products: (1) wheat, (2) corn, and (3) soybeans for the years 1966, 1969, and 1972. These comparisons were derived from the Commission's burden studies. USDA states that the revenue contribution on these three commodities are fairly high and, in the case of wheat, substantially higher than the average contribution for all carload traffic shown in the burden studies for the respective 3 years.

Of particular concern to USDA is the level of railroad rates on grain from country origins to primary markets. Although USDA did not submit revenue-cost comparisons on gathering/market rates, it contends that a disproportionate burden is being placed on grain farmers in meeting the revenue needs of the railroads.

General Mills also presented revenue-cost comparisons based on the 1972 burden study. General Mills contends that the burden study results are misleading in that the information shown for wheat and wheat flour should not be looked at separately but in total. For example, it notes the burden study shows a ratio of revenue to variable cost of 167.8 percent on wheat compared to 98.2 percent on wheat flour (U.S. to U.S. basis). The primary reason for the relatively poor showing of wheat flour, according to General Mills, is that the majority of flour shipments via rail move on transit balances, i.e., they are outbound movements of a grain product that move on a "balance" of a through rate. Thus, such outbound transit shipments are tied to a generally more profitable inbound movement of wheat. For this reason, it observes that looking at each movement separately would make wheat flour appear less remunerative than wheat.

ADM presented no revenue-cost comparisons although it attempted to compare the annual increases in variable costs between 1969 and 1972 (based on the Commission's cost scales for each of these years) with the percentage of rate increases granted by the Commission for those respective years. Based on these comparisons, ADM concludes that costs have increased an average of 3 percent while rates have increased 21 percent.

The Utah Department of Agriculture submitted two analyses. The first, dealt with movements of soybeans from a transit point at Decatur, IL, to final destination at Moroni, UT; the second dealing with movements of corn and milo from transit at Omaha, NE, to final destination at Moroni. Its data indicated that both sampled movements had revenues in excess of variable costs at the 1973 level.

However, little weight can be accorded to these conclusions for various reasons, including the major criticism that the Utah Department of Agriculture did not introduce supporting evidence indicating the applicability of its costing procedure to the two sampled movements.

The National Cottonseed Producers Association introduced revenue-cost comparisons on movements of cottonseed meal and hulls in the SFA, Southwestern Territory, and Mountain Pacific Territory. Costs were developed on the basis of average loads at mileage intervals of 250, 500, and 750 miles.

The resulting revenue-cost comparisons shown by this party indicate that in the Mountain Pacific Territory there was significant contribution to overhead and profit on movements of cottonseed meal and hulls sampled for 1974 at all distances. In the SFA and the Southwestern Territory, revenues exceeded variable costs but contributed very little to fully allocated costs at short distances. At medium and longer distances, however, contribution to fully allocated costs ranged from adequate to good in these two territories.

TRANSIT

Although most of the parties to this proceeding recognized the importance of transit, only the SRS gave proper consideration of transit in their development of revenue-cost comparisons on grain and grain products.

Transit shipments present a serious problem in analyzing costs and the developing of revenue-cost relationships because transit shipments are firmly embedded in the freight rate structure, and, therefore, no meaningful comparison can be made between revenues and costs unless all segments of the through rate (including transit balances) are considered.

SRS presented a number of revenue-cost comparisons on transit shipments. However, a complete showing was limited to only one transit shipment. On this particular shipment, the *total* revenue-cost rato for *all carriers* involved was shown together with the revenue-cost relationship for *each rail carrier* broken down according to each segment of the shipment.

This showing places the cost in its proper perspective and illustrates what actually takes place on a transit shipment from a revenue-cost standpoint. Further, this showing illustrates the fallacy of merely comparing the through revenues and costs for all carriers in the movement on a transited shipment. Moreover, it demonstrates the importance of looking at the transit granting line's revenues compared to costs.

The SPS attempted to piece together the revenues and costs related to certain transited shipments of soybean meal and animal and poultry feed from the 1972 1-percent waybill sample. However, the moves costed were only those movements into and out of the last transit point and no consideration was given to prior transit movements. As a result, the SPS's data fails to depict the total transit picture. SPS itself recognized this, stating that adequate information on transit was not available and expressing the hope that other interested parties would provide more definitive information.

The Soo Line also attempted to give consideration to transit shipments in its studies (noted above). With regard to barley and barley products, it sampled movements from country origins through storage and milling points either to destinations on the Soo Line or for delivery by the Soo Line to connecting railroads. With regard to wheat, however, its study was limited to traffic moving from country origins to storage or milling locations.

In addressing movements of barley, however, the Soo Line did not isolate movements incurring transit, but merely showed a composite ratio of revenue to variable costs for all barley and barley products movements. Moreover, it failed to consider the remaining portion of the movements sampled beyond its own line which may have resulted in additional transit stops. These shortcomings greatly detracted from its study.

The SFA also presented revenue-cost comparisons on a limited number of transit shipments. Nine transit shipments were costed. On them, revenue exceeded variable costs in every instance, but only marginally so four times. However, these comparisons are of limited value inasmuch as they do not reflect revenues and costs of the entire transit shipment.

Although a limited amount of information was presented on transit shipments, the information is, for the most part, inadequate for determining the total revenue-cost relationships for *all* carriers involved in a transit shipment. As noted, in most instances, the transit movements introduced by the various parties do not include the complete record of the outbound transit balance from the inbound shipment. Therefore, to get a true picture, it is necessary to look at the revenue-cost relationships for all rail carriers broken down by segment of the shipment. As noted above, no meaningful comparison can be made between revenues and costs unless all segments of the transit moves are considered.

In assessing, overall, the studies done by the parties, it must be stressed that they enable us to look at revenues and costs *only* on particular segments of a transit shipment, but not at revenues and costs for all segments individually and in total.

Because of the difficulty of obtaining adequate information on inbound moves, and relating such information to the outbound moves, neither the 1-percent waybill sample nor the burden study provide revenue or cost information adequate to provide a complete transit picture.

Indeed, adequate information on transit shipments is not readily available. Even the railroads are somewhat handicapped in developing this information since, for most transit shipments, it would require a joint effort on the part of railroads in different territories to piece all of the segments of the transit moves together.

Although exceptions are taken to the cost and revenue studies introduced by several parties, and it has not been possible to competely verify the cost and revenue studies submitted by others, the results of those studies generally support the conclusions indicated by the computations of rate-to-varible cost ratios in appendix D.

APPENDIX D

Revenue yields and cost of service on grain and related traffic

This appendix summarizes revenue and cost data on 1,946 movements of grain and grain products as computed by the Commission's Section of Cost and Valuation. While limitations exist on the use of this data (limitations discussed below), nevertheless the aggregate number (1,946) of movements examined was sufficient to warrant some generalizations.

One significant generalization is the presence of widespread cross-subsidization in the rate structure. This cross-subsidization can be seen in the revenue-cost data on movements of particular commodities (with inadequate revenues on some being offset by highly remunerative revenues on others).

Cross-subsidization can also be seen to exist between transited and nontransited movements of particular commodities. The same generalization may be made viewing all movements of grain and grain products in the aggregate. A comparison of the simple average ratio of revenue to variable costs on the entire 1,418 nontransited movements, for example, with that on the entire 526 transited movements discloses inadequate revenues on the later being more than offset and, in effect, "subsidized" by highly remunerative revenues on the former. Tables 1 and 2, attached, summarize the revenue and cost comparisons and showing average ratio of revenues to variable costs on transited and nontransited movements. The average for all territories is shown to be 1.66 for nontransited and .94 for transited movements.

Despite a lack of precision in compiling some of this data as well as an inability to appropriately weight it (see part I below), nevertheless, the number of movements was sufficiently large and the spread between transited and nontransited operating ratios also sufficiently large (1.66 versus .94) to establish that the inadequate revenues, in general, exist on transited traffic and that this traffic is being, in effect, subsidized by the highly remunerative movements being generally realized on nontransited movements.

Before discussing the data produced by the Commission's Section of Cost and Valuation (summarized in part II of this appendix and attached tables), background on the method employed in compiling these results will be provided. An understanding of the source of the raw data, as well as the methodology employed in analyzing it, is necessary for a realistic appreciation of the probativeness of the resulting commodity revenue-cost picture depicted.

I. METHODOLOGY

Cost and revenue data on a large number of movements were introduced by parties of record in response to an order of May 19, 1975, requesting such information. Appendix C discusses this data. The order of May 19, in addition, directed the Commission's Section of Cost and Valuation to determine adjusted regional average costs for the typical or representative movements of record.

In calling for cost and revenue data from the parties, the May 19 order asked that the data include: type of movement (i.e., transit or nontransit), origin, destination, rate, minimum weight, actual lading weight, carload revenue, actual and short-line mileage, number of transit stops, number of inspection stops, separate charges, and ton-mile earnings based on actual distances. Evidence showing the general traffic characteristics of the grain and grain products was also requested. Some of the parties providing the data, however, failed to fully comply with this request. Of particular significance was the failure of the Western Railroads to do so, noteworthy because the vast majority of movements of grains and grain products originate in this territory.

Furthermore, data actually submitted was often deficient with regard to transited movements. In many instances, for example, parties failed to provide an adequate record of the outbound transit balance.

The first step taken by the Commission's Section of Cost and Valuation in compiling the data in accordance with the May 19 order was to extract rate and movement data from the pleadings submitted in the format called for by the order. In addition, for representation, movements in the record showing an origin and a destination but which did not contain all the needed information, deficiencies were corrected where possible. For example, data was developed on the minimum weights, car types, type of rate, and actual miles (via the most logical route), et cetera. To insure the greatest possible accuracy, the Commission's Bureau of Traffic verified the rate and traffic data for each of the movements extracted.

Initiatives to circumvent deficiencies in the data base, however, were not always possible. Where *annual* use of an involved rate was not provided by the parties, *weighted* averages could not be developed, necessitating the use of simple averages. Furthermore, differences in rates, rate relationships, and traffic input were found. Where only "average traffic data" (*e.g.*, average weights rates, and distances) were presented, such deficiencies, of course, diminish the value of the specific revenue-cost comparisons developed.

Despite these problems, the data nevertheless provides a general picture of major movements and relationships on rates on grains and related products. While care must be exercised before according any of the data a high degree of precision, the overall picture depicted is generally valid.

The methodology employed by the Section of Cost and Valuation in producing the data (the resulting analyses are summarized in part II), differ for the various types of traffic.

For nontransited shipments, variable costs for representative rates on the movements of grain and grain products furnished by the parties were developed. Fully allocated costs were also developed, with constant costs distributed on three bases: ton and ton-mile, car and car-mile, and dollar. The only movements submitted by the parties and not used were those (1) involving "paper" rates and (2) lacking sufficient information with which to prepare the necessary data. In a number of pleadings several hundred rates were shown; thus, we selected on a random basis movements for which the necessary traffic information was developed to compute costs.

To attain the greatest possible accuracy in the evaluation of the data, the revenue-cost comparisons for the movements of record were compiled by commodity according to STCC, territory of origin, miles of haul, type of movement (transit versus nontransit), type of shipment (single-car, multiple-car, trainload) and by actual or minimum car weights. This breakdown allows comparison of similar movements on an intraterritory and interterritory basis.

Where cost estimates were necessary, regional average costs were used, adjusted to reflect operating practices. These adjusted regional average costs, stated in cents per hundredweight at the 1975 cost level, were then compared with the rate per hundredweight, at the Ex Parte No. 310 rate level. The results were tabulated for each commodity by STCC numbers, separated by rate territories, distances and various weight groupings. Variable and fully allocated costs were based on unit costs shown in "Rail Carload Cost Scales—1974," statement No. 1C1-74, updated to the 1975 level based on the methodology outlined in "Rail Carload Cost Scales by Territories as of January 1, 1958," statement No. 2-58.

For the purpose of this analysis, "variable costs" are defined as: (1) the variable portions of freight operating expenses, rents, and taxes (excluding Federal income taxes), and (2) the variable portion of the "cost of capital," excluding any allowance for Federal income taxes. "Fully allocated" costs are the variable costs plus an allocation of the costs of: (1) the constant portions of the freight operating expenses, rents, and taxes (excluding Federal income taxes), and (2) the constant, or remaining, portion of the "cost of capital."

Fully allocated costs for a given movement were developed as follows: to the variable cost (ultimately stated in cents per hundredweight for a comparison to the rate) is added an allocation of the constant costs. For comparison purposes, fully allocated costs are shown on three bases. Constant costs are allocated on the ton and ton-mile basis, the car and car-mile basis, and the dollar basis. To develop the constant unit costs per ton and per ton-mile and the constant unit costs per car and per car-mile, the dollar numerators, which are separated between those expenses and cost of capital not associated with distance (terminal) and those expenses and cost of capital associated with distance (line-haul), remain the same. However, the divisors change. That is, the tons originated and terminated and the ton-miles were used for the respective terminal and line-haul elements for the ton and ton-mile basis. The loaded cars and the loaded car-miles were used in a similar way for the car and car-mile basis. The constant unit costs for each of the two bases were then applied to the respective tons and ton-miles, and cars and car-miles, generated by a particular movement.

The allocated constant costs thus obtained for each basis were converted to constant cost per hundredweight, which were then added to the variable cost per hundredweight to produce the fully allocated costs per hundredweight for each basis. For the dollar basis, an allocation ratio was developed for each region by dividing the total regional variable and constant costs by that region's total variable costs. The variable cost per hundredweight for a given movement was then multipled by the applicable regional ratio to produce the fully allocated cost per hundredweight.

The variable costs derived reflect adjustments made to territorial average costs to recognize certain transportation characteristics indicated in the exhibits of record, including the actual route of movement miles, actual or average actual lading weight, and car ownership: whether privately owned or railroad owned. Where the car was not carrier owned, ownership costs were removed from variable and fully allocated costs. Costs for each movement were based on the specific type of car used; and "way" and "through" costs were applied to single- and multiple-car movements, and only "through costs" to trainload movements. Adjustments were made to the single-car, multiple-car, and trainload movements as follows:

a. ***For single-car movements***, where the actual routing of the movement was shown, line-haul costs were adjusted by removing the interchange costs included in the territorial average costs on a loaded car-mile basis and substituting for them the interchange cost per car interchanged, using the number of interchanges from the routings shown in the exhibits of record. This was done for both variable and constant costs.

b. ***For multiple-car movements***, of five or more cars, terminal costs were adjusted by reducing the switching cost per carload by 50 percent at origin and destination, by reducing variable freight train car costs per carload by 50 percent at origin and destination, and by reducing station clerical costs per carload by assuming 75 percent of the cost as being associated with the car and 25 percent as being associated with the shipment. On multiple-car shipments where the number of cars per shipment was neither shown nor determinable, we assumed an average of between 5 and 10 cars per shipment. Where the actual routing of the movement was shown, line-haul costs were adjusted by removing the interchange costs included in the territorial average costs on a loaded car-mile basis and substituting for them the interchange costs per car interchanged and using the number of interchanges from the routings shown in the exhibits of record.

c. ***For trainload movements***, in carrier-owned equipment, terminal costs were adjusted: (1) by reducing the switching cost per carload by 75 percent at origin and destination, (2) by reducing variable freight train costs per carload by 50 percent at origin and destination (in the case of carrier-owned equipment), and (3) by reducing station clerical costs per carload by assuming 75 percent of the cost as being associated with the car and 25 percent as being associated with the shipment. Line-haul costs were adjusted by removing the interchange costs included in the territorial average cost on a loaded car-mile basis and substituting for them the interchange cost per car interchanged (reduced by 50 percent) and using the number of interchanges from the routings shown in exhibits of record. Further, the territorial average interswitching and intraswitching cost per loaded car-mile was eliminated.

In addition to the adjustments indicated above for carrier-owned equipment the entire freight train car costs, both terminal and line-haul, were eliminated on trainload movements in shipper-owned cars.

Due to the transportation characteristics associated with grain and grain products, additional adjustments were necessary for specific movements.

d. ***For transit shipments***, a full origin and destination terminal cost was included for each transit stop. The terminal station clerical cost per car was also doubled to reflect the higher cost of handling transit billing. Compare *Southeastern Assn. of R. & Util. Commrs.* v. *A., T. & S. F. Ry.*, 321 I.C.C. 519, 545. A special analysis of station and general office auditing applicable to grain and grain products in the *Southeastern Assn.* case revealed that the station clerical cost per carload on transit shipments was more than double the system average. Note, the above mentioned 75-25 split to the station clerical cost (to reflect more than one car per bill) is applicable to this addition to the station clerical cost.

On both the *transit* and *nontransit* shipments, a grain door cost per carload of $26.19 was added to the terminal cost in all instances where the type of equipment specified was boxcar. This cost represents the average cost per carload for installing and removing paper and wooden grain doors based on a special study conducted by the Soo Line Industrial Engineering Department in 1975. In instances where the rate specified was export, the terminal costs for single-car shipments reflect an extra 5 days of car costs for export traffic to the Gulf ports. No special adjustment to the car cost was made for multiple-car or trainload shipments for detention time at the port cities, since the normal 2 days applies to reduced level export rates. (This should not be confused with the adjustment car costs caused by multiple-train and trainload shipments, previously discussed.)

Finally, the terminal car cost and switching cost were adjusted to reflect in transit inspection of cars based on the service units (car-days and engine minutes) previously submitted to the Commission in I. & S. Docket No. 8458, *Inspection in Transit, Grain and Grain Products*. The service units used were 3.5 car-days and 8.68 switching minutes. Inspection cost was included only on the whole grain commodities studied.

To facilitate a better understanding of the revenue and cost data derived, the data was analyzed by commodity and rate territories. The analysis noted (1) the number and percent of rate-to-cost ratios falling below variable and fully allocated costs, (2) the number of rate-to-cost ratios falling within ratio range groups of from below 95 percent to 230 percent and over, along with the composite simple average ratio for each column, (3) the lowest, highest, and simple average ratio of rate-to-variable costs, (4) the number of shipments and simple average rate-to-variable cost ratios by weight groups, and (5) the number of shipments and simple average rate-to-variable cost ratios by mileage blocks. These distribution tables are attached hereto as tables 3 through 70 for the nontransit shipments and tables 71 through 123 for the transit shipments. Tables are not shown for commodities for which the record contains only a few movements.

Because the transportation characteristics associated with transit grain shipments vary from those of nontransit shipments, separate revenue-cost relationships were developed for the transit and nontransit movements costed.

II. COST AND REVENUE COMPARISONS

A. Nontransit shipments

There were a total of 1,418 nontransit movements costed. Of the 1,418 movements, a large majority (1,088) originated in the Western Territory. Only 197 originated in the official territory and 133 in the South. (See table 3.)

In all, 222 of the 1,418 nontransited movements had rate-to-variable cost ratios below 100 percent. Based on the ton and ton-mile method, 521 had rate-to-fully allocated cost ratios of less 100 percent. On the car and car-mile, and on dollar basis 381 and 452 movements, respectively, had ratios less than 100 percent.

Of the total 1,418 movements, 16 percent failed to cover variable cost and 37 percent failed to cover fully allocated costs using the ton and ton-mile method of allocating constant costs, and 27 percent and 32 percent, of using the car and car-mile, and dollar basis of allocating constant costs, respectively.

Of the total 1,418 movements, a preponderance (1,164) were costed as single-car shipments, 165 multiple-car, and 89 as trainload shipments. The percentage of movements with revenue below variable costs was highest for single-car shipments (16 percent) and lowest for trainload shipments (10 percent). Multiple-car shipments fell in between at 13 percent.

The overall average ratio of rate-to-variable cost on the total 1,418 movements costed was 166 percent.[1] The ratio of rate-to-fully allocated costs was 127 percent using the ton and ton-mile basis, 141 percent using the car and car-mile basis, and 133 percent using the dollar basis.

The data showed that the ratio of rate-to-variable cost for a single-car shipment ranged from a low of 35 percent in the official territory to a high of 430 percent in the Western Territory. (See table 5.) The Western Territory had the highest total simple average ratio of rate-to-variable costs regardless of the type of shipment costed (i.e., ratio of single car, multiple car, or trainload). However, the highest total simple average ratio occurred on the single-car shipments regardless of territory (the only exception was multiple-car shipments in the official territory). The total simple average ratio of rate-to-variable cost for the total 1,164 nontransit movements costed as single-car shipments was 172 percent. While the 165 multiple-car shipments had a simple average ratio of 141 percent and the 89 trainload shipments, a simple average ratio of 134 percent.

As the shipment weight increased, so did the ratio of rate-to-variable cost. This was generally true regardless of territory studied or type of shipment costed. (See table 6.)

With respect to distance, no discernable trend in the simple average ratio of rate-to-variable cost was observed for single-car and multiple-car shipments. The size of the ratios varied randomly throughout the mileage spectrum on these two types of shipments regardless of the type of shipment costed or territory studied. However, in the case of trainload shipments, the ratios decreased as distance increased. (See table 7.)

A summary analysis of the revenue-cost results according to: (1) origin territory, (2) major commodity groups by STCC scales, (3) shipment weight, and (4) distance, is show below.

(1) *Origin territory*

a. *Official.*—The 197 movements, approximately 14 percent of the total 1,418 nontransit movements costed, originated in official territory. (See table 3.) On 34 movements (17 percent), revenues failed to equal variable costs. The percentage of movements where revenue fell below fully allocated costs ranged from 51 percent (ton and ton-mile basis) to 28 percent (car and car-mile basis).

The average ratio of rate-to-variable cost for these 197 movements was 138 percent which is below the overall U.S. average of 166 percent, but nevertheless represents a significant margin of revenue over variable costs. (See table 8.) The average ratio of rate-to-fully allocated cost ranged from 107 percent (ton and ton-mile basis) to 121 percent (car and car-mile basis).

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[1] This figure (166 percent) may be overstated because weighting each territories respective share of the traffic. The data (see table 27) shows that western, grain rates are, overall, the most compensative.

The ratio of rate-to-variable cost generally increased with shipment size, with the highest ratios falling in the 160,000- to 180,000-pound and 180,000- to 200,000-pound weight brackets. (See table 9.) Seventy-one percent of the movements fell in these two weight brackets. The majority (77 percent) moved less than 200 miles. No discernable pattern was observed with respect to the size of the ratios for different mileage blocks. (See table 10.)

b. *Southern.*—One hundred and thirty-three of the sample movements originated in the South. Of the 133 movements, 36 (27 percent) had revenues below variable cost, while 82 (62 percent) had revenues below fully allocated costs using the ton and ton-mile method. Using the car and car-mile basis, movements where revenue fell below fully allocated costs rose to 71 (53 percent), while the same number using the dollar basis was 82 (62 percent).

The overall average ratio of rate-to-variable cost in the South was 130 percent (see table 11) which is lower than the overall U.S. average of 166 percent. Likewise, the average ratio of rate to fully allocated cost was significantly lower for the South versus the United States as a whole. This ratio for the ton-mile basis was 102 percent (versus 127 percent for the United States), 109 percent using the car and car-mile basis (versus 141 percent for United States), and 103 percent using dollar basis (versus 133 percent for the United States).

With two exceptions, the ratio of rate-to-variable cost increased with shipment size. (See table 12.) Those exceptions were in the 60,000- to 80,000-pound and 120,000- to 140,000-pound weight brackets where the ratios were 92 and 99 percent, respectively, for the single-car category.

Movements for the Southern Territory by mileage intervals are summarized in table 13. As can be seen, the ratio of rate-to-variable cost generally increased as the distance increased up to 1,000 miles. At the 1,001 to 1,500 mileage block the ratios decreased slightly. However, in each case, the percentages are based on only two movements which makes analysis difficult.

c. *Western.*—A total of 1,088 movements originated in the West, 77 percent of the movements costed. One hundred and fifty-two (or 14 percent) of these 1,088 movements had revenues that were below variable cost. (See table 3.) Using the ton and ton-mile method of computing fully allocated costs, 338 movements (31 percent) had revenue below fully allocated cost while the car and car-mile basis produced 255 movements (23 percent) and the dollar basis 298 movements (27 percent).

The overall average ratio of rate-to-variable cost for the 1,088 movements was 176 percent compared to 166 percent for the entire United States. (See table 14.) The average ratio of rate-to-fully allocated cost was 133 percent using the ton and ton-mile basis, 148 percent for the car and car-mile basis, and 140 percent for the dollar basis.

With regard to shipment weight, there are trends as shown in table 15. Upper weight brackets produced the highest ratios of rate-to-variable cost. With respect to distance, results were mixed, as shown in table 16. For example, the lower mileage blocks, 0 to 100 and 101 to 200 miles, had the highest ratios of rate-to-variable cost. After that, the ratios generally decreased as distance increased up to about 1,000 miles where the ratios went up again.

(2) *Commodity groups*

a. *STCC No. 01131—barley.*—A total of 111 movements fell in this commodity group, all originating the Western Territory. (See table 17.) All had revenues above fully allocated costs.

The average ratio of revenue-to-variable cost for the 111 movements was 221 percent, significantly higher than the U.S. traffic average of 166 percent. The lowest ratio of rate-to-variable cost for this commodity was 155 percent, whereas the highest ratio was 403 percent. Further, the ratios of revenue-to-fully allocated cost ranged from 168 percent on a ton and ton-mile basis to a high of 184 percent on a car and car-mile basis. These statistics are much higher than those for the U.S. traffic. (See table 18.) All of the barley movements were costed as single-car shipments.

b. *STCC No. 01132—corn (except popcorn).*—This commodity group consisted of 281 movements, 95 originating in the official territory, 28 in the South and 158 in the West. 64 movements or 23 percent had revenues below variable costs (compared to 16 percent for the U.S. total shown in table 3). (See table 19.) The number of movements with revenues below fully allocated cost was 149 (53 percent) using the ton and ton-mile basis, 103 (37 percent) using the car and car-mile basis, and 120 (43 percent) using the dollar basis. These statistics compare favorably with other commodity groups.

The overall ratio of rate-to-variable cost is 134 percent for this commodity group. (See table 19.) The results by territory are broken down in tables 20, 21, and 22.

Table 20 shows that the 95 movements in official territory have a simple average ratio of rate-to-variable cost of 151 percent. Tables 22 and 23 show that the same ratios for the South and West are lower at 120 and 126 percent, respectively.

Comparisons of the ratios of rate-to-variable cost by type of movement show very similar results for single-car, multiple-car and trainload movements. The average ratios of rate-to-variable cost are 135, 130 and 132 percent, respectively, for the three types of movements. (See tables 24, 25, and 26.) The range of ratios for single-car movements varied from a low of 45 percent in the West to a high of 348 percent in official territory. The ratios for multiple-car movements range from 63 percent (official territory) to 338 percent (official territory). The range of ratios for trainload movements was much smaller, from a low of 80 percent in official territory to a high of 202 percent in the West. Only 3 of the 34 trainload movements have a ratio which is greater than 170 percent. (See table 26.)

c. *STCC No. 01133—oats.* —Results for this commodity are based on only 14 single-car movements, 13 originating in the West and 1 in the South. (See table 27.)

The one movement in the South has a ratio of rate-to-variable cost of 109 percent. For that same movement, the ratio of rate-to-fully allocated cost ranged from 87 percent (dollar basis) to 93 percent (car and car-mile basis). (See table 28.)

The average ratio of rate-to-variable cost for the 13 Western movements is 128 percent, with 3 of the 13 movements having revenue below variable cost. (Tables 27 and 28.) The range of ratios for the 14 movements is from 77 to 173 percent.

d. *STCC No. 1134—rice, rough.*—Results for this commodity consist of ratios for 14 single-car movements, all originating in the West. The ratios of rate-to-variable cost are exceedingly high, ranging from 207 to 430 percent, with an average of 304 percent. (See table 29.)

e. *STCC No. 01136—sorghum grains.*—Results for this commodity are based on a total of 41 single-car movements, 35 originating in the West, 2 in official territory, and 4 in the South. No movements in official territory or in the South had revenue below fully allocated cost. None of the 35 movements in the West had revenue below variable cost. Six movements have revenue below fully allocated costs, using ton and ton-mile or dollar basis, and two using the car and car-mile basis. (See table 30.)

In general, the ratios of rate-to-variable cost for movements of sorghum grains are very high. The two movements assessed in official territory had ratios of 169 and 234 percent, an average of 201 percent. Ratios on the four movements in the South ranged from 203 to 326 percent with an average of 260 percent. The movements in the West had ratios ranging from 114 to 319 percent, with an average of 195 percent. While some of the ratios of rate-to-variable cost for movements in the West were fairly modest, 22 of 35 had ratios of 170 percent or more. (See table 31.)

f. *STCC No. 01137—wheat (except buckwheat).*—Results for this commodity are based on a total of 658 movements which represents 46 percent of all moves submitted. Table 32 shows the movement breakdown by type of movement and territory. While all types of movements occur in each territory, the vast majority are single car. Of the 658 movements, 549 (83.4 percent) are single-car movements, 60 are multiple-car, and 49 are trainload.

The vast preponderance of the movements (585 of 658, or 88.9 percent) originate in the West, with 59 originating in official territory and 14 in the South.

The average ratio of rate-to-variable cost is 185 percent for the entire set of 658 movements. (See table 33.) The average ratio of rate-to-fully allocated is 139 percent using the ton and ton-mile basis, 147 percent using the dollar basis, and 157 percent using the car and car-mile basis. (See tables 34, 35, and 36.) A breakdown of ratios for each territory show that the relatively high overall ratio of 185 percent is heavily weighted by the result for the West. The simple average ratio of rate-to-variable cost for the movements in the West is 192 percent (see table 36), while those same ratios in official territory and the South are much lower at 127 and 126 percent. (See tables 34 and 35.)

Overall, the percentage of wheat movements with revenue below variable cost is approximately the same for each type of movement. (See table 32.) For single-car movements, approximately 5 percent have revenue below variable cost (i.e., a ratio of rate-to-variable cost of 100 percent or less). For multiple-car movements, it is also 5 percent, and for trainload movements it is 6 percent.

A similar analysis as that shown above but by territory shows that the results vary widely, both between and within each territory. While 19 percent of the movements in official territory have revenue below variable cost, only 7 percent of the movements in the South have revenue below variable cost. The same percentage for the West is only 3 percent. (See table 32.)

The results by type of movement vary significantly. The average ratio of rate-to-variable cost for all single-car movements is 194 percent and 149 percent for multiple-car movements. (See tables 37 and 38.) For trainload movements, the ratio is the lowest at 129 percent. (See table 39.)

The range of ratios is very wide in the official territory (from 35 to 259 percent) and the West (from 65 to 353 percent). (See table 39A.) The range of ratios in the South is not nearly as wide. The lowest and highest ratios are 96 to 186 percent, respectively.

g. *STCC No. 01139—grain, n.e.c.*—Results for this commodity are based on 25 movements. They embrace one single-car and one multiple-car movement in official territory and 23 single-car movements in the West. (See table 40.) No movements in the South were available.

The single-car movement in official territory has a ratio of rate-to-variable cost of 173 percent, while the same ratio for the multiple-car movement is 131 percent. The revenue for the single-car movements exceeded substantially fully allocated costs while the ratios of rate-to-fully allocated cost for the multiple-car movement was only 97 percent using the ton and ton-mile basis, and only slightly above 100 percent for the car and car-mile basis (111 percent) and dollar basis (106 percent). (See tables 41 and 42.)

The ratios for the 23 western movements were quite low. (See table 43.) Eleven of the 23 movements have a ratio of rate-to-variable cost below 100 percent, with an average ratio of 108 percent. For all three methods of computing fully allocated costs, the average ratio of rate-to-fully allocated is below 100 percent. The ratios of rate-to-variable cost range from 75 to 153 percent on movements originating in the West.

h. *STCC No. 01144—soybeans.*—91 movements of this commodity were available for analysis. The vast majority of the movements examined were single-car (73 of 91) and originated in the West (71 of 91). Overall, 63 of the 91 movements (69 percent) had a rate below variable cost. By type of shipment, 53 of the 73 single-car movements (73 percent), 9 of the 17 multiple-car movements (53 percent), and the 1 trainload movement had rates below variable cost.

Looking at the results (see table 44) for the ratios of rate-to-fully allocated cost, the vast majority of the movements had a ratio less than 100 percent. The percentage of ratios falling below 100 percent ranged from 85 percent, using the car and car-mile basis, to 95 percent, using the ton and ton-mile basis.

The overall average ratio of rate-to-variable cost was only 95 percent for single-car movements, 100 percent for multiple-car movements, and 98 percent for the one trainload movement. (See table 44A.) The average ratios by territory and type of shipment shown consistency. The lowest average ratio was 91 percent for single-car movements in the West. The highest is 118 percent for single-car movements in the South.

The average ratio of rate-to-variable cost for all movements in official territory is 106 percent, in the South is 112 percent, and only 92 percent in the West. (See tables 45, 46 and 47.)

i. *STCC No. 20411—wheat flour (except blended or prepared).*—Results for this commodity are based on a costing of 21 movements, 19 single car and 2 multiple car. (See table 48.) Four movements, including two multiple car, originated in official territory, 12 movements originated in the South, and 5 in the West.

The frequency distribution for the rate-to-cost ratios for the four movements in official territory is depicted in table 49. The average ratio of rate-to-variable cost is 196 percent. The average ratio for the two single-car movements is 182 percent and for the two multiple-car movements is 210 percent. The ratios range from 118 to 247 percent.

The 12 movements in the South have an average ratio of rate-to-variable cost of 177 percent, (see table 50) ranging from 117 to 258 percent. The average ratio for the five movements in the West was only 100 percent. (See table 51.) Two of the five had revenues below variable cost, while all five had revenues below fully allocated cost, regardless of which basis is used.

j. *STCC No. 20412—wheat bran, middlings or shorts.*—Results for this commodity are based on nine single-car movements, one originating in official territory and eight in the South. The one movement in official territory has a ratio of rate-to-variable cost of only 70 percent. (See table 52.)

Seven of the eight movements in the South moved at a rate below variable cost. All eight had rates below fully allocated costs, regardless of which basis was employed. Ratios of rate-to-variable cost ranged from 68 to 101 percent, averaging 82 percent.

k. *STCC No. 20418—wheat germ oils, meal or cake.*—Results for these commodities are based on only five single-car movements, three originating in official territory and one each in the South and West.

The three movements in official territory had an average ratio of rate-to-variable cost of 123 percent, ranging from 118 to 130 percent. (See table 53.) One of the three had revenue below fully allocated cost using the ton and ton-mile basis. All three had revenue below fully allocated cost, using the dollar and car and car-mile basis.

The movement in the South has a ratio of rate-to-variable cost of only 93 percent, while the movement in the West has a ratio of 158 percent.

l. *STCC No. 20421—prepared feed, animal, fish or poultry, except canned.*—Results are based on 30 single-car and 2 multiple-car movements. Twelve movements, including the 2 multiple-car movements, originated in official territory, 17 in the South and 3 in the West. (See table 54.) Approximately 43 percent of the single-car movements had revenues below variable cost, as did both multiple-car movements. The vast majority of movements had revenues below fully allocated costs. Depending on the basis used, the percentage ranged from 75 to 78 percent. In official territory, from 92 (car and car-mile basis) to 100 percent of the movements have revenue below fully allocated cost. The same percentage, in the South, is 65 percent and 67 percent (two of three) in the West for all three bases of allocation.

The ranges of ratios are quite small, with the exception of movements in the South, varying from a low of 66 percent to a high of 182 percent.

The overall average ratio of rate-to-variable cost is 97 percent for the 12 movements in official territory. Broken down by type of movements, the average for the two multiple-car movements was 69 percent and, for the single-car movements, 102 percent. The average ratio for the 17 movements in the South was 104 percent and 116 percent for the 3 movements in the West. (See table 57.)

m. *STCC No. 20462—corn starch.*—The ratio of rate-to-variable cost for the only movement of this commodity available (and which occurred in official territory) was 146 percent and the ratio of rate-to-fully allocated cost was 112 percent (ton and ton-mile basis) and 127 percent (car and car-mile basis). (See table 58.)

n. *STCC No. 20467—corn oil cake.*—Results for this commodity are based on only one single-car movement in the official territory, disclosing a ratio of rate-to-variable cost of 142 percent. (See table 59.) The ratio of rate-to-fully allocated cost was 115 percent (ton and ton-mile basis) and 127 percent (car and car-mile basis).

o. *STCC No. 20830—malt.*—Results for this commodity are based on a total of four single-car movements. One of the four movements originated in official territory and three in the West. (See table 60.)

The movement in official territory had a ratio of rate-to-variable cost of 125 percent, while the three movements in the West had an average ratio of 93 percent, ranging from 83 to 101 percent.

p. *STCC No. 20914—cottonseed.*—Results for this commodity are based on 17 single-car movements, of which 6 originated in the South and 11 in the West. None of the 17 movements had revenues below variable cost. Two of the six movements in the South had revenue below fully allocated cost using the ton and ton-mile basis, and one using the car and car-mile basis. Using the ton and ton-mile and dollar bases, 2 of the 11 movements have revenue which fails to cover fully allocated cost.

The ratios of rate-to-variable cost for movements in the South ranged from 117 to 171 percent. (See table 62.) A frequency distribution for those ratios shows an average ratio of rate-to-variable cost of 137 percent and of rate-to-fully allocated cost ranging from 108 to 113 percent.

The ratios of rate-to-variable cost for the western movements ranged from 109 to 191 percent. The average for those movements was 156 percent and the average ratio of rate-to-fully allocated cost ranged from 116 to 131 percent. (See table 63.)

q. *STCC No. 20923—soybean oil cake and meal.*—Results for this commodity are based on 93 movements. (See table 64.) A breakdown by type shows that 70 were single-car movements, 18 multiple-car, and 5 trainload. By territory, 12 movements originated in official territory, 26 in the South, and 55 in the West. Twenty-one of the 70 single-car movements (or 30 percent) had revenues below variable cost, while multiple-car or trainload movements did.

By type of movement, the average ratio of rate-to-variable cost increased as one goes from single-car to trainload movements. The average ratio for all 70 single-car movements was 150 percent. This ratio improves to 197 percent for multiple-car movements and to 208 percent for trainload movements. (See tables 65, 66, and 67.)

Analysis by origin territory shows an improvement in average ratio as one goes from official territory to South to West. (See tables 68, 69 and 70.) The simple average ratio of rate-to-variable cost in official territory is 115 percent for all types of movements. The same average in the South is significantly higher at 147 percent. In the West it is 180 percent.

B. Transit Shipments

Five hundred and twenty-six transit movements were costed. Of this total, 520 were single-car and 6 multiple-car shipments. (See table 71.)

In all, 341 movements had rate-to-variable cost ratios below 100 percent. Under the ton and ton-mile method, 402 had rate-to-fully allocated cost ratios less than 100 percent, while under the car and car-mile and dollar basis 390 and 409 movements, respectively, had ratios less than 100 percent. Viewed in another way, of the 526 movements, 65 percent failed to cover variable cost and 76 percent failed to cover fully allocated costs, using the ton and ton-mile method of allocating constant costs, and 74 percent and 78 percent of the rates failed to cover the fully allocated costs using the car and car-mile and dollar basis of allocating constant costs, respectively.

Of the 526 movements, 315 originated in the South, 173 in the West, and only 38 in the official territory.

The overall average ratio of rate-to-variable cost on the total 526 movements examined was 94 percent. The ratio of rate-to-fully allocated costs was 77 percent using the ton and ton-mile basis, 80 percent using the car and car-mile basis, and 75 percent using the dollar basis. (See table 72.)

The ratio of rate-to-variable cost ranged from a low of 0 percent for a number of single-car shipments originating in the southern and western territory to a high of 451 percent on a single-car shipment originating in the West. (See table 73.) The total simple average ratio of rate-to-variable cost for the total 520 transit movements costed as single-car shipments was 92 percent whereas the 6 multiple-car shipments had a simple average ratio of 177 percent.

As expected, as shipment weight increased, so did the ratio of rate-to-variable cost. This was generally true regardless of territory or type of shipment costed. (See table 74.)

With respect to distance, no discernable trend in the simple average ratio of rate-to-variable cost was observed for single-car and multiple-car shipments. The size of the ratios varied randomly throughout the mileage spectrum on single-car shipments regardless of the territory studied. The six multiple-car shipments fell under only two mileage blocks; thus, no analysis of these shipments as to distance is possible. (See table 75.)

A summary analysis of the revenue-cost results for each commodity group by STCC scales was made according to: (1) origin to first transit, (2) first transit to destination, (3) first transit to second transit, and (4) second transit to destination.

This breakdown was to determine which leg or legs of a transit shipment are not bearing their fair share of the costs. No transit shipments costed had more than two transit stops. Unfortunately, the accuracy of the cost picture developed was limited by the underlying data provided by the parties failed to show all the legs of a particular transit movement.

(1) *Origin to first transit point*

A total of 232 movements fell under this category. Of this amount, 97 (42 percent) had revenues below variable costs.

The simple average ratio of rate-to-variable costs on the 232 movements was 125 percent. The following represents a breakdown by commodity.

a. *STCC No. 01131—barley.*—Results for this commodity are based on 63 single-car movements, all originating in the West. (See table 76.) All 63 movements have revenue below variable and fully allocated cost with the ratios of rate-to-variable cost ranging from 38 to 87 percent and averaging only 58 percent.

b. *STCC No. 01132—corn (except popcorn).*—Results are based on a total of 25 movements: 1 multiple-car and 24 single-car. Three originated in official territory, 2 in the West, and 20 in the South.

Of the 25 movements, only 1 had revenue below variable cost. (See table 77.) The number of movements with revenue below fully allocated cost ranges from 14 (car and car-mile basis) to 16 (dollar basis). The ratio of rate-to-variable cost for the one multiple-car movement was 155 percent. The average ratios of rate-to-variable cost for the single-car movements by territory were 133 percent (official territory), 125 percent (South), and 213 percent (West). The overall average ratio of rate-to-variable cost was 134 percent for the 25 total movements. (See table 78.)

c. *STCC No. 01133—oats.*—Results for this commodity are based on six single-car movements, all originating in the South. (See table 79.) Three of the six movements had revenue below variable cost. Using either the ton and ton-mile basis or the car and car-mile basis, four of the six movements had revenue below fully allocated cost. Using the dollar basis, five of the six had revenue below fully allocated cost. The range of ratios of rate-to-variable cost was from 98 to 166 percent, with an average of 113 percent.

d. *STCC No. 01137—wheat (except buckwheat).*—Results for this commodity are based on 17 movements. A breakdown by type of movement shows that 3 were multiple-car and 14 single-car. Two movements originated in official territory, 4 in the South, and 11 in the West. (See table 80.) One of the 3 multiple-car movements had revenue below variable cost, but none of the 14 single-car movements did. Only 2 of the 17 movements had revenue below fully allocated cost using the car and car-mile basis, and only 3 of 17 using the ton and ton-mile and dollar bases.

A breakdown by territory shows varied results. The two single-car movements in official territory have ratios of rate-to-variable cost of 106 and 120 percent, for an average ratio of 113 percent. In the South the average for the two single-car movements is 140 percent, but that the average for the two multiple-car movements is 247 percent. The results in the West are the opposite of the South. The 1 multiple-car movement had a ratio of only 79 percent, while the 10 single-car movements ranged from 181 to 451 percent, with an average of 305 percent.

The average ratio of rate-to-variable cost for the 17 movements was a very high 243 percent.

e. *STCC No. 01144—soybeans.*—Fourty-four movements of this commodity were available and consisted of 42 single-car and 2 multiple-car movements. None originated in the West, 4 originated in official territory; and the remaining 40 movements (including the 2 multiple-car) originated in the South. (See table 82.) Seven movements, all single-car, had revenue below variable cost. Nine had revenue below fully allocated cost, using the car and car-mile basis, and 10 using either the ton and ton-mile or dollar bases.

The ratios of rate-to-variable cost in official territory ranged from 78 to 186 percent, with an average of 139 percent. (See table 83.) For the 40 Southern movements, the average ratio of rate-to-variable cost was 168 percent. (See Table 84.) The results for single-car (167 percent) and multiple-car movements (168 percent) are virtually identical.

f. *STCC No. 20411—wheat flour (except blended or prepared).*—Results for this commodity are based on three single-car movements, all originating in the South. None of the three had revenue below fully allocated cost. The ratio of rate-to-variable cost range from 163 to 242 percent, with a simple average of 190 percent. (See table 85.)

g. *STCC No. 20412—wheat bran, middlings or shorts.*—Results for this commodity are based on 14 single-car movements. Thirteen of the 14 movements originate in the South and 1 in the West. Six of the 13 movements in the South had revenue below variable cost, while the number having revenue below fully allocated cost ranges from 9 (ton and ton-mile and car and car-mile bases) to 11 (dollar basis). (See table 86.)

The 13 movements in the South had a very wide range of ratios of rate-to-variable cost; from a low of 92 percent to a high of 334 percent. The average was 123 percent. One ratio was 334 percent but this was an anomaly as 12 of the 13 movements have a ratio below 140 percent. (See table 87.)

The one movement in the West has a ratio of rate-to-variable cost of 135 percent.

h. *STCC No. 20419—grain meals.*—Results for this commodity are based on four single-car movements, with two each originating in the South and West. None of the four movements and revenue below variable cost. (See table 88.) One of the two movements in the South has revenue below fully allocated cost, regardless of which basis is used. The results in the South are substantially lower than those in the West. The average ratio of rate-to-variable cost is 138 percent in the South versus 211 percent for the two movements in the West.

i. *STCC No. 20421—prepared animal and poultry feed.*—Results for this commodity are based on 17 single-car movements, 16 of which originated in the South and 1 in official territory. (See table 89.) The one movement in official territory has a ratio of rate-to-variable cost of 160 percent.

In the South, 5 of the 16 movements (31 percent) have revenue below variable cost. The number of those movements having revenue below fully allocated cost ranges from 8 (car and car-mile basis) to 11 (dollar basis). The range of ratios of rate-to-variable cost is from 86 to 200 percent. The average ratio was 123 percent. (See table 90.)

j. *STCC No. 20617—molasses.*—Results consist of ratios for only four single-car movements, all originating in the South. Two of the four movements had revenue below variable and fully allocated costs. (See table 91.) The ratios of rate-to-variable cost range from 71 to 133 percent with an average of 105 percent.

k. *STCC No. 20830—malt.*—Only one movement of malt was included in the results for this commodity—a single-car movement in official territory. The ratio of rate-to-variable cost was very low, only 53 percent.

l. *STCC No. 20914—cottonseed hulls, cake or meal.*—Results for this commodity are based on eight single-car movements, all originating in the South. (See table 93.) Two movements have revenue below variable cost, and below fully allocated cost using the car and car-mile basis. Four of the eight movements have revenue below fully allocated cost using either the ton and ton-mile or dollar bases. The ratios of rate-to-variable cost vary from a low of 92 percent to a high of 149 percent with an average ratio of 120 percent.

m. ***STCC No. 20923—soybean meal.***—Results for this commodity are based on 22 single-car movements, 19 originating in the South and 3 in official territory. (See table 94.) Six of the 22 movements had revenue below variable cost, while the number of movements with revenue below fully allocated cost is 8 for the car and car-mile basis and 11 for the ton and ton-mile and dollar bases. The ratios of rate-to-variable cost ranged from 124 to 156 percent in official territory and from only 17 percent to 160 percent in the South. (See tables 95 and 96.) The average ratio for the movements in official territory were 139 percent and 114 percent for the movements in the South. (See table 97.)

n. ***STCC No. 20939—peanut oil meal.***—Results for this commodity are based on only three single-car movements originating in the South. While none of the three movements had revenue below variable cost, two had revenue below fully allocated cost using the car and car-mile basis, and all three had revenue below fully allocated cost using the ton and ton-mile and dollar bases. The ratios of rate-to-variable cost range from 101 to 116 percent with an average of 110 percent.

o. ***STCC No. 28199—Dicalcium phosphate.***—Results for this commodity are based on only one single-car movement in the South. The ratio of rate-to-variable cost for that movement is a very high 208 percent. (See table 98.)

(2) ***First transit point to destination***

A total of 246 movements costed from the first transit point to destination were available for analysis. Two hundred and ten movements (85 percent) had revenues below variable costs. The simple average ratio of rate-to-variable costs on the 246 movements was 69 percent.

a. ***STCC No. 01131—barley.***—Results for this commodity are based on 64 single-car movements. Of these, 5 originated in official territory and 59 in the West. The results disclose ratios of rate-to-cost that are very low. (See table 99.) All 64 movements had revenue below variable and fully allocated cost. The ratios of rate-to-variable range from 16 to 62 percent with an average of 48 percent for the five movements in official territory, and from 0 to 72 percent, with an average of 46 percent for the 59 movements in the West.

b. ***STCC No. 01132—corn (except popcorn).***—Results are based on 10 single-car movements. Of this total, 4 originated in the South and 6 in the West. (See table 100.) All four movements in the South had revenue below variable and fully allocated cost, while only one of the six movements in the West had revenue below variable cost and four of six have revenue below fully allocated cost.

The ratios of rate-to-variable cost range from 41 to 97 percent in the South, with an average of 58 percent. The movements in the West show better results, with an average ratio of 125 percent and ranging from 94 to 170 percent. (See tables 101 and 102.)

c. ***STCC No. 01133—oats.***—Results for this commodity are based on three single-car movements, two originating in the South and one in the West. Both movements in the South had a ratio of rate-to-variable cost of 97 percent. The one movement in the West had a ratio of rate-to-variable cost of 122 percent. (See tables 103 and 104.)

d. ***STCC No. 01137—wheat (except buckwheat)***—Results for this commodity are based on 11 single-car movements in the West. (See table 105.) Seven of the 11 movements had revenue below variable cost and fully allocated cost (car and car-mile basis). Using either the ton and ton-mile or dollar bases, 8 of the 11 movements have revenue below fully allocated cost.

The results for the 11 movements are varied. They range from 4 to 201 percent, with an average of 96 percent (See table 106.)

e. *STCC No. 20411—wheat flour (except blended or prepared).*—Twenty-one movements were available for analysis. Ten movements (see table 107) originated in the official territory, 7 of which have revenue below variable cost, with 9 of 10 having revenue below fully allocated cost. Six movements originated in the South and five in the West, and, as in official territory, the majority have revenue below variable and fully allocated cost. Four of the six Southern movements have revenue below variable and fully allocated cost (ton and ton-mile basis). Five of six have revenue below fully allocated cost using the car and car-mile and dollar bases. Four of the five Western movements had revenue below variable cost and all five had revenue below fully allocated cost, regardless of which basis is used. Overall, the results for this commodity were very poor, with the average ratio of rate-to-variable cost below 100 percent in each territory. In official territory, the ratios range from 53 to 186 percent, in the South from 3 to 168 percent, and in the West from 20 to 107 percent. The average ratio is 66 percent in the West. (See tables 108, 109, and 110.)

f. *STCC No. 20412—wheat bran, middlings or shorts.*—For this commodity the results are based on a total of four single-car movements with one originating in official territory and three in the South. (See table 111.) All four movements had revenue below variable cost. The ratios of rate-to-variable cost range from 70 to 99 percent with the one movement in official territory having a ratio of 91 percent and the three in the South averaging 88 percent.

g. *STCC No. 20419—grain meals.*—Results for this commodity show relatively high ratios for the total of seven single-car movements. Of these seven, two originated in the South and five in the West. (See table 112.) Only one movement, that in the West, had revenue below variable or fully allocated cost.

The results for the two movements in the South show ratios of rate-to-variable cost of 156 and 212 percent for an average of 194 percent. The ratios in the West range from 70 to 166 percent with an average of 137 percent, much lower than the South but still relatively high for this type of movement.

h. *STCC No. 20421—prepared animal and poultry feed.*—Results for this commodity are based on a total of 96 single-car movements, 93 of which originated in the South, with the remaining three in official territory. The vast majority of the movements had revenue below variable and fully allocated cost. For the movements in official territory, two of three had revenue below variable and fully allocated cost. Concerning the movements in the South, 87 of 93 movements (or 94 percent) had revenue below variable cost, and 91 of 93 movements (or 98 percent) had revenue below fully allocated cost. (See table 113.)

The three movements in official territory had ratios of rate-to-variable cost ranging from 29 to 130 percent. The average ratio was 70 percent. For the movements in the South, the range and average ratio are similar to those shown for official territory. The range for the 93 movements is from 13 to 130 percent with an average of 66 percent. (See tables 114 and 115.)

i. *STCC No. 20462—corn starch.*—Results for this commodity are based on four single-car movements, with two each originating in official territory and the West. (See table 116.)

One of the two movements in official territory had revenue below fully allocated cost using the car and car-mile and dollar bases, and one of the two movements in the West had revenue below variable cost and both Western movements have revenue below fully allocated cost for all three bases. The two movements in official territory have an average ratio of rate-to-variable cost of 126 percent, while the two movements in the West have an average ratio of only 99 percent.

j. *STCC No. 20859—spent grain, mash.*—The results for this commodity are based on only one single-car movement in official territory. The ratio of rate-to-variable cost was very low at only 33 percent.

k. *STCC No. 20923—soybean meal.*—There were 25 movements of soybean meal of which 23 occurred in the South. (See table 117.) The remaining two movements originated in official territory. While neither of the two movements in official territory had revenue below fully allocated cost, the vast majority of the other movements had revenues below cost.

Twenty-one of the 23 movements in the South had revenue below variable cost and fully allocated cost using the car and car-mile basis. All 23 of the movements have revenue below fully allocated cost using the ton and ton-mile and dollar bases.

The ratios are quite high for the two movements in official territory. The two movements have ratios of rate-to-variable cost of 148 and 206 percent for an average ratio of 177 percent. The same ratios for the 23 movements in the South are much lower. The range is from 22 to 123 percent with an average of only 61 percent.

(3) *First transit point to second transit point*

A total of 24 transit movements are included in the results for first transit to second transit points. Of this total 46 percent or 11 movements (all STCC No. 20923) had revenues which fell below variable costs. The simple average ratio of rate-to-variable costs on the entire 24 movements was 93 percent.

a. *STCC No. 01137—wheat (except buckwheat).*—Only two movements of this commodity occurred, both originating in the West. The ratios of rate-to-variable cost are 166 and 215 percent. (See table 118.) The average ratio of rate-to-variable cost is 191 percent and that the average ratio of rate-to-fully allocated cost ranges from 150 (dollar basis) to 155 percent (ton and ton-mile basis).

b. *STCC No. 20411—wheat flour (except blended or prepared).*—Results for this commodity are based on only three single-car movements, all originating in the West. The three movements had ratios of rate-to-variable cost of 169 and 170 percent. The average ratio of rate-to-variable cost is 169 percent, and of rate-to-fully allocated cost ranged from 135 (dollar basis) to 140 percent (ton and ton-mile basis). (See table 119.)

c. *STCC No. 20923—soybean meal.*—A total of 19 single-car movements, all originating in the South, comprise the results for this commodity. (See table 120.) Eleven of the 19 movements (58 percent) have revenue below variable cost, while the number of movements having revenue below fully allocated cost is 17 for the car and car-mile and dollar bases (89 percent) and 18 for the ton and ton-mile basis (95 percent).

The range of ratios of rate-to-variable cost (see table 121) is from 0 percent to 133 percent. The average ratio of rate-to-variable cost is only 70 percent.

(4) *Second transit point to destination*

A total of 24 transit movements in the record moved from a second transit point to final destination. Only two commodities are involved in such movements. These movements have produced very low revenue-cost ratios. Only one movement had revenue above variable costs and on this movement the revenue was below fully allocated costs. The simple average ratio of rate-to-variable costs on the entire 24 movements was 56 percent.

a. ***STCC No. 20411—wheat flour (except blended or prepared).***—The total for this commodity is represented by five single-car movements originating in the South. All five movements have revenue below variable and fully allocated cost. (See table 122.) The ratio of rate-to-variable cost ranges from only 13 to 35 percent, with an average of 25 percent.

b. ***STCC No. 20421—prepared animal and poultry feed.***—Results for this commodity are based on 19 single-car movements originating in the South. (See table 123.) Only 1 of the 19 had revenue exceeding variable cost, while no movement has revenue above fully allocated cost. The ratios of rate-to-variable cost range from 42 to 100 percent, producing an average ratio of 64 percent.

SUMMARY OF ANALYSIS OF TRANSITED MOVEMENTS

The only group of transit movements which had revenues above variable cost were movements from origin to the first transit point. The simple average ratio of revenue-to-variable cost on them was 125 percent. The movements from first transit point to second transit point had the second highest simple average ratio of rate-to-variable cost at 93 percent. The other two groups (first transit to destination and second transit to destination) had very low ratios of rate-to-variable costs of 69 and 56 percent, respectively.

As previously noted, the simple average rate-to-variable cost ratios on the entire 526 movements was 94 percent. The simple average rate-to-variable cost ratios by origin territories were 102 percent for official territory, 98 percent for the South, and 84 percent for the West.

However, it should be pointed out that only 6 of the 17 nontransit commodities had a simple average ratio below 100, and 2 of the 6 commodities (STCC No. 20830 and STCC No. 20859) were based on a single observation. The remaining four commodities (STCC Nos. 01131, 20411, 20421, and 20923) had a relatively large number of observations (movements) which has resulted in the overall simple average on the 526 movements to fall below 100.

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TABLE 1

Recap of the number and percent of movements having revenues below variable costs, and rates-to-variable cost ratios (simple average) by individual STCC codes and by origin territory

TRANSIT MOVEMENTS

Commodity code	Number of movements costed				Number of movements below variable cost				Percentage of movements below variable cost				Simple average ratio of revenue to variable cost			
	U.S.	Official	Southern	Western	U.S.	Official	Southern	Western	U.S.	Official	Southern	Western	U.S.	Official	Southern	Western
														Percent		
STCC 01131	127	5	—	122	127	5	—	122	100	100	—	100	52	48	—	52
STCC 01132	35	3	24	8	6	—	4	2	17	—	17	25	124	140	114	147
STCC 01133	9	—	8	1	5	—	5	—	56	—	63	—	110	—	109	122
STCC 01137	30	2	4	24	8	—	—	8	27	—	—	33	191	113	196	190
STCC 01144	44	4	40	—	7	1	6	—	16	25	15	—	165	139	168	—
STCC 20411	32	10	14	8	20	7	9	4	63	70	64	50	88	87	79	105
STCC 20412	18	1	16	1	10	1	9	—	56	100	56	—	116	91	116	135
STCC 20419	11	—	4	7	1	—	—	1	9	—	—	14	159	—	181	138
STCC 20421	132	4	128	—	112	2	110	—	85	50	86	—	74	93	93	—
STCC 20462	4	2	—	2	1	—	—	1	25	—	—	50	113	126	—	99
STCC 20617	4	—	4	—	2	—	2	—	50	—	50	—	103	—	103	—
STCC 20830	1	1	—	—	1	1	—	—	100	100	—	—	53	53	—	—
STCC 20859	1	1	—	—	1	1	—	—	100	100	—	—	33	33	—	—
STCC 20914	8	—	8	—	2	—	2	—	25	—	25	—	120	—	120	—
STCC 20923	66	5	61	—	38	—	38	—	58	—	62	—	86	154	90	—
STCC 20939	3	—	3	—	—	—	—	—	—	—	—	—	110	—	110	—
STCC 28199	1	—	1	—	—	—	—	—	—	—	—	—	208	—	208	—
Total	526	38	315	173	341	18	185	138	65	47	59	80	96	102	98	86

TABLE 2

Recap of the number and percent of movements having revenues below variable costs, and rate-to-variable cost ratios (simple average) by individual STCC codes and by origin territory

NONTRANSIT MOVEMENTS

Commodity Code	Number of movements costed				Number of movements below variable cost				Percentage of movements below variable cost				Simple average ratio of revenue to variable cost			
	U.S.	Official	Southern	Western	U.S.	Official	Southern	Western	U.S.	Official	Southern	Western	U.S.	Official	Southern	Western
														Percent		
STCC 01131	111	—	—	111	—	—	—	—	—	—	—	—	221	—	—	221
STCC 01132	281	95	28	158	64	12	4	48	23	13	14	30	134	151	120	128
STCC 01133	14	—	1	13	3	—	—	3	21	—	—	23	127	—	109	128
STCC 01134	14	—	—	14	—	—	—	—	—	—	—	—	304	—	—	304
STCC 01136	41	2	4	35	—	—	—	—	—	—	—	—	201	201	200	195
STCC 01137	658	59	14	585	32	11	1	20	5	19	7	3	185	127	126	192
STCC 01139	25	2	—	23	11	—	—	11	44	—	—	48	112	152	—	108
STCC 01144	91	4	16	71	63	2	5	56	69	50	31	79	96	106	112	92
STCC 20411	21	4	12	5	2	—	—	2	10	—	—	40	162	196	177	100
STCC 20412	9	1	8	—	8	1	7	—	89	100	88	—	80	70	82	—
STCC 20418	5	3	1	1	1	—	1	—	20	—	100	—	124	123	93	150
STCC 20421	32	12	17	3	15	6	9	—	47	50	53	—	103	97	104	116
STCC 20462	1	1	—	—	—	—	—	—	—	—	—	—	146	146	—	—
STCC 20467	1	1	—	—	—	—	—	—	—	—	—	—	142	142	—	—
STCC 20830	4	1	—	3	2	—	—	2	50	—	—	67	101	125	—	93
STCC 20914	17	—	6	11	—	—	—	—	—	—	—	—	148	—	136	155
STCC 20923	93	12	26	55	21	2	9	10	23	17	35	18	150	115	147	108
Total	1,418	197	133	1,088	222	34	36	152	16	17	27	14	168	130	130	176

TABLE 3

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC—ALL STCCs (NONTRANSIT)

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
Total movements:								
Single car	1,164		120		91		953	
Multiple car	165		56		34		75	
Trainload	89		21		8		60	
Total	1,418		197		133		1,088	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	191	16	20	17	30	33	141	15
Multiple car	22	13	8	14	6	18	8	11
Trainload	9	10	6	29	0	0	3	5
Total	222	16	34	17	36	27	152	14
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	387	33	60	50	46	51	281	29
Multiple car	80	48	21	38	28	82	31	41
Trainload	54	61	20	95	8	100	26	43
Total	521	37	101	51	82	62	338	31
Car and car-mile basis:								
Single car	292	25	30	25	42	46	220	23
Multiple car	58	35	13	23	23	68	22	29
Trainload	31	35	12	57	6	75	13	22
Total	381	27	55	28	71	53	255	23
Dollar basis:								
Single car	351	30	44	37	48	53	259	27
Multiple car	68	41	16	29	28	82	24	32
Trainload	33	37	12	57	6	75	15	25
Total	452	32	72	37	82	62	298	27

TABLE 4

Frequency distribution of all movements

STCC—ALL STCCs (NONTRANSIT)

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variables costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	190	457	337	400
95-99	32	64	44	52
100-109	74	146	132	147
110-119	104	110	148	126
120-129	120	101	101	91
130-139	106	83	85	95
140-149	92	71	71	58
150-159	70	55	55	60
160-169	78	45	54	59
170-179	63	50	64	46
180-229	215	147	169	164
230 and over	274	89	158	120
Total	1,418	1,418	1,418	1,418
Simple average ratio	166	127	141	133

TABLE 5

Lowest, highest and simple average ratio of rate-to-variable cost by commodity, originating territory, type of shipment and corresponding actual miles

STCC—ALL STCCs (NONTRANSIT)

Originating territory	Ratio range of rate to variable cost by Type of shipment			Distance—actual miles Type of shipment		
	Single car	Multiple car	Train-load	Single car	Multiple car	Train-load
Official	*Percent*	*Percent*	*Percent*			
Lowest	35	48	71	149	452	932
Highest	348	338	153	145	496	667
Simple average all movements	139	142	113	218	399	711
Southern						
Lowest	63	74	101	711	396	926
Highest	326	200	141	343	932	901
Simple average all movements	136	116	113	415	568	895
Western						
Lowest	45	90	98	162	780	1,452
Highest	430	257	246	1,279	727	169
Simple average all movements	179	152	144	714	748	897
Total simple average of all movements for all regions	172	141	134	639	592	853

TABLE 6

Number of shipments, and rate-to-variable cost ratios (simple average) by originating territory, weight group and type of shipment

STCC—ALL STCCs (NONTRANSIT)

ORIGINATING TERRITORY: TOTAL U.S.

Weight group	Number and percent of shipments						Ratio of rate-to-variable cost		
	Single car		Multicar		Trainload		Single car	Multicar	Trainload
	Number	Percent	Number	Percent	Number	Percent			
								Percent	
0-20,000	0	0	0	0	0	0	0	0	0
20,000-40,000	1	0	0	0	0	0	127	0	0
40,000-60,000	171	15	0	0	0	0	90	0	0
60,000-80,000	37	3	0	0	0	0	133	0	0
80,000-100,000	57	5	0	0	0	0	154	0	0
100,000-120,000	101	9	23	14	20	22	146	141	119
120,000-140,000	134	12	12	7	8	9	167	119	145
140,000-160,000	121	10	3	2	0	0	168	149	0
160,000-180,000	296	25	53	32	0	0	226	136	0
180,000-200,000	245	21	72	44	59	66	190	150	136
200,000-220,000	1	0	2	1	2	2	117	107	175
Total	1,164	100	165	100	89	100	172	141	134

TABLE 7

Number of shipments, and rate-to-variable cost ratios (simple average) by originating territory, mileage block and type of shipment

STCC—ALL STCCs (NONTRANSIT)

ORIGINATING TERRITORY: TOTAL U.S.

Mileage block	Number and percent of shipments						Ratio of rate-to-variable cost		
	Single car		Multicar		Trainload		Single car	Multicar	Trainload
	Number	Percent	Number	Percent	Number	Percent			
								Percent	
0-100	70	6	20	12	0	0	163	140	0
101-200	134	12	7	4	1	1	164	145	246
201-300	104	9	18	11	1	1	182	138	212
301-400	140	12	16	10	4	4	164	134	155
401-500	131	11	17	10	4	4	173	149	157
501-750	237	20	32	19	20	22	173	148	136
751-1,000	124	11	35	21	36	40	165	139	126
1,001-1,500	128	11	18	11	23	26	171	138	128
1,501-2,000	82	7	0	0	0	0	190	0	0
2,001-2,500	8	1	2	1	0	0	184	105	0
2,501-3,000	6	1	0	0	0	0	278	0	0
3,001-3,500	0	0	0	0	0	0	0	0	0
3,500 and over	0	0	0	0	0	0	0	0	0
Total	1,164	100	165	100	89	100	172	141	134

TABLE 8

Frequency distribution of all movements

STCC—ALL STCCs (NONTRANSIT)

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variables costs (2)	Rate-to-fully allocated costs (constant costs distributed on): Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	29	79	43	54
95-99	5	22	12	18
100-109	10	41	31	52
110-119	19	7	37	22
120-129	43	8	24	7
130-139	28	12	8	12
140-149	13	5	7	4
150-159	6	4	6	7
160-169	11	5	4	3
170-179	4	0	8	3
180-229	15	8	9	8
230 and over	14	6	8	7
Total	197	197	197	197
Simple average ratio	138	107	121	112

TABLE 9

Number of shipments, and rate-to-variable cost ratios (simple average) by originating territory, weight group and type of shipment

STCC—ALL STCCs (NONTRANSIT)

ORIGINATING TERRITORY: OFFICIAL

Weight group	Number and percent of shipments						Ratio of rate-to-variable cost		
	Single car		Multicar		Trainload		Single car	Multicar	Trainload
	Number	Percent	Number	Percent	Number	Percent			
								Percent	
0-20,000	0	0	0	0	0	0	0	0	0
20,000-40,000	0	0	0	0	0	0	0	0	0
40,000-60,000	10	8	0	0	0	0	57	0	0
60,000-80,000	1	1	0	0	0	0	121	0	0
80,000-100,000	4	3	0	0	0	0	100	0	0
100,000-120,000	9	8	23	41	0	0	110	141	0
120,000-140,000	4	3	2	4	0	0	91	65	0
140,000-160,000	7	6	3	5	0	0	128	149	0
160,000-180,000	11	9	11	20	0	0	145	160	0
180,000-200,000	74	62	17	30	20	95	159	140	112
200,000-220,000	0	0	0	0	1	5	0	0	131
Total	120	100	56	100	21	100	139	142	113

TABLE 10

Number of shipments, and rate-to-variable cost ratios (simple average) by originating territory, mileage block and type of shipment

STCC—ALL STCCs (NONTRANSIT)

ORIGINATING TERRITORY: OFFICIAL

Mileage block	Number and percent of shipments						Ratio of rate-to-variable cost		
	Single car		Multicar		Trainload		Single car	Multicar	Trainload
	Number	Percent	Number	Percent	Number	Percent			
								Percent	
0-100	37	31	19	34	0	0	132	137	0
101-200	55	46	4	7	0	0	150	117	0
201-300	5	4	6	11	0	0	113	179	0
301-400	3	3	1	2	0	0	124	259	0
401-500	4	3	5	9	1	5	187	150	101
501-750	7	6	9	16	16	76	130	166	119
751-1,000	7	6	11	20	3	14	102	108	99
1,001-1,500	2	2	1	2	1	5	130	94	80
1,501-2,000	0	0	0	0	0	0	0	0	0
2,001-2,500	0	0	0	0	0	0	0	0	0
2,501-3,000	0	0	0	0	0	0	0	0	0
3,001-3,500	0	0	0	0	0	0	0	0	0
3,500 and over	0	0	0	0	0	0	0	0	0
Total	120	100	56	100	21	100	139	142	113

TABLE 11

Frequency distribution of all movements

STCC—ALL STCCs (NONTRANSIT)

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variables costs (2)	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	28	80	65	77
95-99	8	2	6	5
100-109	22	11	15	11
110-119	18	13	14	10
120-129	10	2	5	4
130-139	9	4	6	6
140-149	7	5	3	5
150-159	4	3	4	2
160-169	5	1	1	2
170-179	2	3	3	0
180-229	9	8	6	10
230 and over	11	1	5	1
Total	133	133	133	133
Simple average ratio	130	102	109	103

TABLE 12

Number of shipments, and rate-to-variable cost ratios (simple average) by originating territory, weight group and type of shipment

STCC—ALL STCCs (NONTRANSIT)

ORIGINATING TERRITORY: SOUTHERN

Weight group	Number and percent of shipments						Ratio of rate-to-variable cost		
	Single car		Multicar		Trainload		Single car	Multicar	Trainload
	Number	Percent	Number	Percent	Number	Percent			
								Percent	
0-20,000	0	0	0	0	0	0	0	0	0
20,000-40,000	1	1	0	0	0	0	127	0	0
40,000-60,000	12	13	0	0	0	0	110	0	0
60,000-80,000	8	9	0	0	0	0	92	0	0
80,000-100,000	19	21	0	0	0	0	125	0	0
100,000-120,000	17	19	0	0	0	0	125	0	0
120,000-140,000	6	7	0	0	0	0	99	0	0
140,000-160,000	4	4	0	0	0	0	130	0	0
160,000-180,000	15	16	6	18	0	0	95	101	0
180,000-200,000	8	9	26	76	8	100	196	121	113
200,000-220,000	1	1	2	6	0	0	117	107	0
Total	91	100	34	100	8	100	136	116	113

TABLE 13

Number of shipments, and rate-to-variable cost ratios (simple average) by originating territory, mileage block and type of shipment

STCC—ALL STCCs (NONTRANSIT)

ORIGINATING TERRITORY: SOUTHERN

Mileage block	Number and percent of shipments						Ratio of rate-to-variable cost		
	Single car		Multicar		Trainload		Single car	Multicar	Trainload
	Number	Percent	Number	Percent	Number	Percent			
								Percent	
0-100	8	9	0	0	0	0	101	0	0
101-200	16	18	0	0	0	0	113	0	0
201-300	11	12	4	12	0	0	112	112	0
301-400	16	18	8	24	0	0	155	109	0
401-500	14	15	3	9	0	0	119	112	0
501-750	13	14	11	32	0	0	159	108	0
751-1,000	11	12	6	18	8	100	189	144	113
..001-1,500	2	2	2	6	0	0	133	129	0
1,501-2,000	0	0	0	0	0	0	0	0	0
2,001-2,500	0	0	0	0	0	0	0	0	0
2,501-3,000	0	0	0	0	0	0	0	0	0
3,001-3,500	0	0	0	0	0	0	0	0	0
3,500 and over	0	0	0	0	0	0	0	0	0
Total	91	100	34	100	8	100	136	116	113

TABLE 14

Frequency distribution of all movements

STCC—ALL STCCs (NONTRANSIT)

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variables costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	133	298	229	269
95-99	19	40	26	29
100-109	42	94	86	84
110-119	67	90	97	94
120-129	67	91	72	80
130-139	69	67	71	77
140-149	72	61	61	49
150-159	60	48	45	51
160-169	62	39	49	54
170-179	57	47	53	43
180-229	191	131	154	146
230 and over	249	82	145	112
Total	1.088	1.088	1.088	1.088
Simple average ratio	176	133	148	140

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TABLE 15

Number of shipments, and rate-to-variable cost ratios (simple average) by originating territory, weight group and type of shipment

STCC—ALL STCCs (NONTRANSIT)

ORIGINATING TERRITORY: WESTERN

Weight group	Number and percent of shipments						Ratio of rate-to-variable cost		
	Single car		Multicar		Trainload		Single car	Multicar	Trainload
	Number	Percent	Number	Percent	Number	Percent			
								Percent	
0-20,000	0	0	0	0	0	0	0	0	0
20,000-40,000	0	0	0	0	0	0	0	0	0
40,000-60,000	149	16	0	0	0	0	91	0	0
60,000-80,000	28	3	0	0	0	0	145	0	0
80,000-100,000	34	4	0	0	0	0	176	0	0
100,000-120,000	75	8	0	0	20	33	155	0	119
120,000-140,000	124	13	10	13	8	13	172	130	145
140,000-160,000	110	12	0	0	0	0	172	0	0
160,000-180,000	270	28	36	48	0	0	231	134	0
180,000-200,000	163	17	29	39	31	52	203	182	157
200,000-220,000	0	0	0	0	1	2	0	0	220
Total	953	100	75	100	60	100	179	152	144

TABLE 16

Number of shipments, and rate-to-variable cost ratios (simple average) by originating territory, mileage block and type of shipment

STCC—ALL STCCs (NONTRANSIT)

ORIGINATING TERRITORY: WESTERN

Mileage block	Number and percent of shipments						Ratio of rate-to-variable cost		
	Single car		Multicar		Trainload		Single car	Multicar	Trainload
	Number	Percent	Number	Percent	Number	Percent			
								Percent	
0-100	25	3	1	1	0	0	229	197	0
101-200	63	7	3	4	1	2	190	181	246
201-300	88	9	8	11	1	2	195	121	212
301-400	121	13	7	9	4	7	166	145	155
401-500	113	12	9	12	3	5	179	160	175
501-750	217	23	12	16	4	7	176	172	205
751-1,000	106	11	18	24	25	42	167	157	134
1,001-1,500	124	13	15	20	22	37	172	143	130
1,501-2,000	82	9	0	0	0	0	190	0	0
2,001-2,500	8	1	2	3	0	0	184	105	0
2,501-3,000	6	1	0	0	0	0	278	0	0
3,001-3,500	0	0	0	0	0	0	0	0	0
3,500 and over	0	0	0	0	0	0	0	0	0
Total	953	100	75	100	60	100	179	152	144

TABLE 17

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1131—BARLEY (NONTRANSIT)

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	111	0	0	111
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	111	0	0	111

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Car and car-mile basis:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Dollar basis:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0

TABLE 18

Frequency distribution of single-car movements

STCC 1131—BARLEY (NONTRANSIT)

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	0	0	0
95-99	0	0	0	0
100-109	0	0	0	0
110-119	0	0	0	0
120-129	0	0	0	0
130-139	0	3	7	6
140-149	0	14	7	9
150-159	0	12	3	2
160-169	2	16	7	16
170-179	9	11	13	14
180-229	5	19	13	17
230 and over	53	33	52	43
	42	3	9	4
Total	111	111	111	111
Simple average ratio	221	168	184	175

TABLE 19

Frequency distribution of all movements

STCC 1132—CORN (EXCEPT POPCORN) (NONTRANSIT)

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	59	126	88	105
95-99	5	23	15	15
100-109	16	50	33	56
110-119	30	23	49	37
120-129	37	18	32	18
130-139	37	9	16	12
140-149	29	9	8	6
150-159	15	8	7	11
160-169	13	2	5	6
170-179	4	2	12	2
180-229	24	4	7	5
230 and over	12	7	9	8
Total	281	281	281	281
Simple average ratio	134	103	114	108

TABLE 20

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1132—CORN (EXCEPT POPCORN) (NONTRANSIT)

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	182	74	6	102
Multiple car	65	14	20	31
Trainload	34	7	2	25
Total	281	95	28	158

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	51	28	3	4	1	17	47	46
Multiple car	8	12	5	36	3	15	0	0
Trainload	5	15	4	57	0	0	1	4
Total	64	23	12	13	4	14	48	30
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	91	50	29	39	3	50	59	58
Multiple car	39	60	8	57	17	85	14	45
Trainload	19	56	7	100	2	100	10	40
Total	149	53	44	46	22	79	83	53
Car and car-mile basis:								
Single car	62	34	3	4	3	50	56	55
Multiple car	30	46	7	50	15	75	8	26
Trainload	11	32	6	86	2	100	3	12
Total	103	37	16	17	20	71	67	42
Dollar basis:								
Single car	75	41	13	18	3	50	59	58
Multiple car	33	51	8	57	17	85	8	26
Trainload	12	35	6	86	2	100	4	16
Total	120	43	27	28	22	79	71	45

TABLE 21

Frequency distribution of all movements

STCC 1132—CORN (EXCEPT POPCORN) (NONTRANSIT)

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	11	29	14	16
95-99	1	15	2	11
100-109	2	18	12	27
110-119	7	3	22	10
120-129	25	5	13	5
130-139	14	5	3	5
140-149	4	5	5	1
150-159	5	3	4	7
160-169	4	2	2	1
170-179	2	0	6	2
180-229	10	4	4	3
230 and over	10	6	8	7
Total	95	95	95	95
Simple average ratio	151	117	135	123

TABLE 22

Frequency distribution of movements

STCC 1132—CORN (EXCEPT POPCORN) (NONTRANSIT)

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	3	22	16	21
95-99	1	0	4	1
100-109	9	3	2	0
110-119	8	1	1	3
120-129	1	0	2	1
130-139	1	0	1	0
140-149	2	0	0	0
150-159	0	1	0	1
160-169	1	0	0	0
170-179	0	1	1	0
180-229	1	0	1	1
230 and over	1	0	0	0
Total	28	28	28	28
Simple average ratio	120	88	101	95

TABLE 23

Frequency distribution of all movements

STCC 1132—CORN (EXCEPT POPCORN) (NONTRANSIT)

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	45	75	58	68
95-99	3	8	9	3
100-109	5	29	19	29
110-119	15	19	26	24
120-129	11	13	17	12
130-139	22	4	12	7
140-149	23	4	3	5
150-159	10	4	3	3
160-169	8	0	3	5
170-179	2	1	5	0
180-229	13	0	2	1
230 and over	1	1	1	1
Total	158	158	158	158
Simple average ratio	126	98	105	100

TABLE 24

Frequency distribution of single-car movements

STCC 1132—CORN (EXCEPT POPCORN) (NONTRANSIT)

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	49	75	58	63
95-99	2	16	4	12
100-109	4	29	19	38
110-119	13	15	33	20
120-129	29	13	20	12
130-139	21	6	9	7
140-149	15	8	7	3
150-159	9	6	3	10
160-169	8	2	4	3
170-179	3	2	10	2
180-229	18	4	7	5
230 and over	11	6	8	7
Total	182	182	182	182
Simple average ratio	135	108	117	109

TABLE 25

Frequency distribution of multiple-car movements

STCC 1132—CORN (EXCEPT POPCORN) (NONTRANSIT)

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	6	34	21	31
95-99	2	5	9	2
100-109	9	13	8	11
110-119	14	5	9	9
120-129	5	2	6	3
130-139	11	3	6	4
140-149	6	0	0	2
150-159	3	2	3	0
160-169	4	0	0	2
170-179	1	0	2	0
180-229	3	0	0	0
230 and over	1	1	1	1
Total	65	65	65	65
Simple average ratio	130	97	110	104

TABLE 26

Frequency distribution of trainload movements

STCC 1132—CORN (EXCEPT POPCORN) (NONTRANSIT)

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	4	17	9	11
95-99	1	2	2	1
100-109	3	8	6	7
110-119	3	3	7	8
120-129	3	3	6	3
130-139	5	0	1	1
140-149	8	1	1	1
150-159	3	0	1	1
160-169	1	0	1	1
170-179	0	0	0	0
180-229	3	0	0	0
230 and over	0	0	0	0
Total	34	34	34	34
Simple average ratio	132	94	108	105

TABLE 27

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1133—OATS (NONTRANSIT)

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
Total movements:								
Single car	14		0		1		13	
Multiple car	0		0		0		0	
Trainload	0		0		0		0	
Total	14		0		1		13	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	3	21	0	0	0	0	3	23
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	3	21	0	0	0	0	3	23
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	6	43	0	0	1	100	5	38
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	6	43	0	0	1	100	5	38
Car and car-mile basis:								
Single car	5	36	0	0	1	100	4	31
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	5	36	0	0	1	100	4	31
Dollar basis:								
Single car	5	36	0	0	1	100	4	31
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	5	36	0	0	1	100	4	31

TABLE 28

Frequency distribution of single-car movements

STCC 1133—OATS (NONTRANSIT)

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	1	1	1
95-99	0	0	0	0
100-109	1	0	0	0
110-119	0	0	0	0
120-129	0	0	0	0
130-139	0	0	0	0
140-149	0	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	1	1	1	1
Simple average ratio	109	91	93	87

TABLE 28A

Frequency distribution of single-car movements

STCC 1133—OATS (NONTRANSIT)

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	2	4	4	4
95-99	1	1	0	0
100-109	1	4	3	3
110-119	0	2	3	3
120-129	2	2	0	2
130-139	3	0	3	1
140-149	0	0	0	0
150-159	2	0	0	0
160-169	1	0	0	0
170-179	1	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	13	13	13	13
Simple average ratio	128	99	106	102

TABLE 29

Nummmber and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1134—RICE (NONTRANSIT)

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	14	0	0	14
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	14	0	0	14

	Number (A)	Percent (B)	Number (A)	Percent (B)	Number (A)	Percent (B)	Number (A)	Percent (B)
Movements with revenue below variable costs:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Car and car-mile basis:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Dollar basis:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0

TABLE 30

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1136—SORGHUM GRAINS (NONTRANSIT)

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	41	2	4	35
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	41	2	4	35

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	6	15	0	0	0	0	6	17
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	6	15	0	0	0	0	6	17
Car and car-mile basis:								
Single car	2	5	0	0	0	0	2	6
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	2	5	0	0	0	0	2	6
Dollar basis:								
Single car	6	15	0	0	0	0	6	17
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	6	15	0	0	0	0	6	17

TABLE 31

Frequency distribution of single-car movements

STCC 1136—SORGHUM GRAINS (NONTRANSIT)

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	6	0	5
95-99	0	0	2	1
100-109	0	4	6	3
110-119	4	2	3	2
120-129	2	2	0	1
130-139	4	3	1	2
140-149	1	3	2	3
150-159	1	1	3	3
160-169	1	2	2	1
170-179	2	2	1	1
180-229	8	9	12	10
230 and over	12	1	3	3
Total	35	35	35	35
Simple average ratio	195	146	167	156

TABLE 32

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1137—WHEAT (NONTRANSIT)

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
Total movements:								
Single car	549		12		4		533	
Multiple car	60		34		4		22	
Trainload	49		13		6		30	
Total	658		59		14		585	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	26	5	9	75	0	0	17	3
Multiple car	3	5	1	3	1	25	1	5
Trainload	3	6	1	8	0	0	2	7
Total	32	5	11	19	1	7	20	3
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	109	20	11	92	0	0	98	18
Multiple car	19	32	7	21	4	100	8	36
Trainload	34	69	12	92	6	100	16	53
Total	162	25	30	51	10	71	122	21
Car and car-mile basis:								
Single car	66	12	10	83	0	0	56	11
Multiple car	8	13	1	3	2	50	5	23
Trainload	19	39	5	38	4	67	10	33
Total	93	14	16	27	6	43	71	12
Dollar basis:								
Single car	91	17	10	83	0	0	81	15
Multiple car	14	23	3	9	4	100	7	32
Trainload	20	41	5	38	4	67	11	37
Total	125	19	18	31	8	57	99	17

TABLE 33

Frequency distribution of all movements

STCC 1137—WHEAT (NONTRANSIT)

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	23	137	77	103
95-99	9	25	16	22
100-109	28	66	63	61
110-119	37	66	73	72
120-129	57	67	53	57
130-139	46	48	48	60
140-149	51	38	52	38
150-159	44	21	29	27
160-169	47	24	31	29
170-179	46	19	28	21
180-229	104	77	72	79
230 and over	166	70	116	89
Total	658	658	658	658
Simple average ratio	185	139	157	147

TABLE 34

Frequency distribution of all movements

STCC 1137—WHEAT (NONTRANSIT)

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	11	25	12	15
95-99	0	5	4	3
100-109	2	16	12	18
110-119	3	1	11	10
120-129	13	3	8	1
130-139	11	5	5	6
140-149	6	0	1	2
150-159	1	0	1	0
160-169	6	2	2	1
170-179	1	0	1	1
180-229	3	2	2	2
230 and over	2	0	0	0
Total	59	59	59	59
Simple average ratio	127	97	108	103

TABLE 35

Frequency distribution of all movements

STCC 1137—WHEAT (NONTRANSIT)

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	10	6	8
95-99	1	0	0	0
100-109	4	1	3	2
110-119	2	2	3	2
120-129	2	0	1	1
130-139	1	0	0	0
140-149	1	1	1	1
150-159	2	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	1	0	0	0
230 and over	0	0	0	0
Total	14	14	14	14
Simple average ratio	126	92	104	100

TABLE 36

Frequency distribution of all movements

STCC 1137—WHEAT (NONTRANSIT)

ORIGINATING TERRITORY— WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	12	102	59	80
95-99	8	20	12	19
100-109	22	49	48	41
110-119	32	63	59	60
120-129	42	64	44	55
130-139	34	43	43	54
140-149	44	37	50	35
150-159	41	21	28	27
160-169	41	22	29	28
170-179	45	19	27	20
180-229	100	75	70	77
230 and over	164	70	116	89
Total	585	585	585	585
Simple average ratio	192	144	163	153

TABLE 37

Frequency distribution of single-car movements

STCC 1137—WHEAT (NONTRANSIT)

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	21	94	53	73
95-99	5	15	13	18
100-109	19	43	41	36
110-119	23	57	55	56
120-129	37	60	39	49
130-139	28	41	41	51
140-149	44	32	46	33
150-159	37	21	27	26
160-169	37	22	23	22
170-179	41	19	26	19
180-229	93	75	69	77
230 and over	164	70	116	89
Total	549	549	549	549
Simple average ratio	194	146	165	154

TABLE 38

Frequency distribution of multiple-car movements

STCC 1137—WHEAT (NONTRANSIT)

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	1	15	8	12
95-99	2	4	0	2
100-109	3	16	11	10
110-119	4	4	8	11
120-129	12	6	8	2
130-139	6	6	7	9
140-149	6	5	5	4
150-159	1	0	2	1
160-169	10	2	8	6
170-179	4	0	1	1
180-229	9	2	2	2
230 and over	2	0	0	0
Total	60	60	60	60
Simple average ratio	149	111	127	121

TABLE 39

Frequency distribution of trainload movements

STCC 1137—WHEAT (NONTRANSIT)

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	1	28	16	18
95-99	2	6	3	2
100-109	6	7	11	15
110-119	10	5	10	5
120-129	8	1	6	6
130-139	12	1	0	0
140-149	1	1	1	1
150-159	6	0	0	0
160-169	0	0	0	1
170-179	1	0	1	1
180-229	2	0	1	0
230 and over	0	0	0	0
Total	49	49	49	49
Simple average ratio	129	94	106	104

TABLE 39A

Lowest, highest and simple average ratio of rate-to-variable cost by commodity, originating territory, type of shipment and corresponding actual miles

STCC 1137—WHEAT (EXCEPT BUCKWHEAT) (NONTRANSIT)

Originating territory	Ratio range of rate to variable cost by			Distance—actual miles		
	Type of shipment			Type of shipment		
	Single car	Multiple car	Train-load	Single car	Multiple car	Train-load
Official	*Percent*	*Percent*	*Percent*			
Lowest	35	48	71	149	452	932
Highest	133	259	153	1,038	324	667
Simple average all movements	64	149	122	272	242	675
Southern						
Lowest	139	96	103	424	659	901
Highest	186	120	141	1,218	231	901
Simple average all movements	157	110	115	824	389	901
Western						
Lowest	65	98	98	1,129	273	1,004
Highest	353	199	220	362	1,406	606
Simple average all movements	196	155	134	704	779	918
Total simple average of all movements for all regions	193	149	129	696	449	851

TABLE 40

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1139—GRAIN, n.e.c. (NONTRANSIT)

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
Total movements:								
Single car	24		1		0		23	
Multiple car	1		1		0		0	
Trainload	0		0		0		0	
Total	25		2		0		23	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	11	46	0	0	0	0	11	48
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	11	44	0	0	0	0	11	48
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	20	83	0	0	0	0	20	87
Multiple car	1	100	1	100	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	21	84	1	50	0	0	20	87
Car and car-mile basis:								
Single car	13	54	0	0	0	0	13	57
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	13	52	0	0	0	0	13	57
Dollar basis:								
Single car	16	67	0	0	0	0	16	70
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	16	64	0	0	0	0	16	70

TABLE 41

Frequency distribution of single-car movements

STCC 1139—GRAIN, n.e.c. (NONTRANSIT)

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	0	0	0
95-99	0	0	0	0
100-109	0	0	0	0
110-119	0	0	0	0
120-129	0	0	0	0
130-139	0	1	0	0
140-149	0	0	0	1
150-159	0	0	1	0
160-169	0	0	0	0
170-179	1	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	1	1	1	1
Simple average ratio	173	137	154	142

TABLE 42

Frequency distribution of multiple-car movements

STCC 1139—GRAIN, n.e.c. (NONTRANSIT)

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	0	0	0
95-99	0	1	0	0
100-109	0	0	0	0
110-119	0	0	0	1
120-129	0	0	1	0
130-139	0	0	0	0
140-149	1	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	1	1	1	1
Simple average ratio	131	97	111	106

TABLE 43

Frequency distribution of single-car movements

STCC 1139—GRAIN, n.e.c. (NONTRANSIT)

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	11	19	13	14
95-99	0	1	0	2
100-109	2	2	4	4
110-119	0	1	3	2
120-129	5	0	2	1
130-139	3	0	1	0
140-149	1	0	0	0
150-159	1	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	23	23	23	23
Simple average ratio	108	86	90	86

TABLE 44

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1144—SOYBEANS (NONTRANSIT)

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	73	2	9	62
Multiple car	17	1	7	9
Trainload	1	1	0	0
Total	91	4	16	71

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	53	73	1	50	3	33	49	79
Multiple car	9	53	0	0	2	29	7	78
Trainload	1	100	1	100	0	0	0	0
Total	63	69	2	50	5	31	56	79
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	68	93	2	100	7	78	59	95
Multiple car	17	100	1	100	7	100	9	100
Trainload	1	100	1	100	0	0	0	0
Total	86	95	4	100	14	88	68	96
Car and car-mile basis:								
Single car	60	82	1	50	4	44	55	89
Multiple car	16	94	1	100	6	86	9	100
Trainload	1	100	1	100	0	0	0	0
Total	77	85	3	75	10	63	64	90
Dollar basis:								
Single car	66	90	2	100	6	67	58	94
Multiple car	17	100	1	100	7	100	9	100
Trainload	1	100	1	100	0	0	0	0
Total	84	92	4	100	13	81	67	94

TABLE 44A

Lowest, highest and simple average ratio of rate-to-variable cost by commodity originating territory, type of shipment and corresponding actual miles

STCC 1144—SOYBEANS (NONTRANSIT)

	Ratio range of rate to variable cost by			Distance—actual miles		
	Type of shipment			Type of shipment		
Originating territory	Single car	Multiple car	Trainload	Single car	Multiple car	Trainload
Official	*Percent*	*Percent*	*Percent*			
Lowest	94	116	98	242	886	747
Highest	114	116	98	74	886	747
Simple average all movements	104	116	98	158	886	747
Southern						
Lowest	78	74	0	460	396	0
Highest	169	121	0	38	327	0
Simple average all movements	118	102	0	354	429	0
Western						
Lowest	48	90	0	159	780	0
Highest	174	104	0	2,104	1,314	0
Simple average all movements	91	96	0	478	915	0
Total simple average of all movements for all regions	95	100	98	454	713	747

TABLE 45

Frequency distribution of all movements

STCC 1144—SOYBEANS (NONTRANSIT)

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	1	4	2	4
95-99	1	0	1	0
100-109	0	0	1	0
110-119	2	0	0	0
120-129	0	0	0	0
130-139	0	0	0	0
140-149	0	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	4	4	4	4
Simple average ratio	106	80	93	87

TABLE 46

Frequency distribution of all movements

STCC 1144—SOYBEANS (NONTRANSIT)

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	3	14	9	12
95-99	2	0	1	1
100-109	3	0	4	1
110-119	4	1	0	0
120-129	2	0	0	1
130-139	0	1	1	1
140-149	0	0	0	0
150-159	1	0	1	0
160-169	1	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	16	16	16	16
Simple average ratio	112	84	95	88

TABLE 47

Frequency distribution of all movements

STCC 1144—SOYBEANS (NONTRANSIT)

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	51	67	61	64
95-99	5	1	3	3
100-109	3	1	3	2
110-119	5	0	2	0
120-129	3	1	0	0
130-139	2	1	0	2
140-149	0	0	2	0
150-159	0	0	0	0
160-169	1	0	0	0
170-179	1	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	71	71	71	71
Simple average ratio	92	77	77	74

TABLE 48

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20411—WHEAT FLOUR (EXCEPT BLENDED OR PREPARED) (NONTRANSIT)

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	19	2	12	5
Multiple car	2	2	0	0
Trainload	0	0	0	0
Total	21	4	12	5

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	2	11	0	0	0	0	2	40
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	2	10	0	0	0	0	2	40
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	5	26	0	0	0	0	5	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	5	24	0	0	0	0	5	100
Car and car-mile basis:								
Single car	6	32	0	0	1	8	5	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	6	29	0	0	1	8	5	100
Dollar basis:								
Single car	7	37	1	50	1	8	5	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	7	33	1	25	1	8	5	100

TABLE 49

Frequency distribution of all movements

STCC 20411—WHEAT FLOUR (EXCEPT BLENDED OR PREPARED) (NONTRANSIT)

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	0	0	0
95-99	0	0	0	1
100-109	0	1	1	0
110-119	1	0	0	0
120-129	0	0	0	0
130-139	0	0	0	0
140-149	0	0	0	0
150-159	0	0	0	0
160-169	0	1	0	0
170-179	0	1	0	1
180-229	0	0	1	0
230 and over	2	1	2	2
	1	0	0	0
Total	4	4	4	4
Simple average ratio	196	154	170	161

TABLE 50

Frequency distribution of all movements

STCC 20411—WHEAT FLOUR (EXCEPT BLENDED OR PREPARED) (NONTRANSIT)

ORIGINATING: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	0	1	1
95-99	0	0	0	0
100-109	0	2	2	3
110-119	1	3	2	1
120-129	1	0	0	0
130-139	2	0	2	2
140-149	1	1	1	1
150-159	0	1	0	0
160-169	1	1	0	1
170-179	1	1	1	0
180-229	2	3	3	3
230 and over	3	0	0	0
Total	12	12	12	12
Simple average ratio	177	149	145	140

TABLE 51

Frequency distribution of all movements

STCC 20411—WHEAT FLOUR (EXCEPT BLENDED OR PREPARED) (NONTRANSIT)

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	2	4	5	5
95-99	0	1	0	0
100-109	2	0	0	0
110-119	1	0	0	0
120-129	0	0	0	0
130-139	0	0	0	0
140-149	0	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	5	5	5	5
Simple average ratio	100	85	79	80

TABLE 52

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20412—WHEAT BRAN, MIDDLINGS OR SHORTS (NONTRANSIT)

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
Total movements:								
Single car	9		1		8		0	
Multiple car	0		0		0		0	
Trainload	0		0		0		0	
Total	9		1		8		0	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	8	89	1	100	7	88	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	8	89	1	100	7	88	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	9	100	1	100	8	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	9	100	1	100	8	100	0	0
Car and car-mile basis:								
Single car	9	100	1	100	8	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	9	100	1	100	8	100	0	0
Dollar basis:								
Single car	9	100	1	100	8	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	9	100	1	100	8	100	0	0

TABLE 53

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20418—WHEAT GERM OIL MEAL OR CAKE (NONTRANSIT)

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
Total movements:								
Single car	5		3		1		1	
Multiple car	0		0		0		0	
Trainload	0		0		0		0	
Total	5		3		1		1	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	1	20	0	0	1	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	1	20	0	0	1	100	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	1	20	0	0	1	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	1	20	0	0	1	100	0	0
Car and car-mile basis:								
Single car	3	60	2	67	1	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	3	60	2	67	1	100	0	0
Dollar basis:								
Single car	3	60	2	67	1	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	3	60	2	67	1	100	0	0

TABLE 54

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20421—PREPARED FEED, ANIMAL, FISH OR POULTRY (NONTRANSIT)

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	30	10	17	3
Multiple car	2	2	0	0
Trainload	0	0	0	0
Total	32	12	17	3

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	13	43	4	40	9	53	0	0
Multiple car	2	100	2	100	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	15	47	6	50	9	53	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	23	77	10	100	11	65	2	67
Multiple car	2	100	2	100	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	25	78	12	100	11	65	2	67
Car and car-mile basis:								
Single car	22	73	9	90	11	65	2	67
Multiple car	2	100	2	100	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	24	75	11	92	11	65	2	67
Dollar basis:								
Single car	23	77	10	100	11	65	2	67
Multiple car	2	100	2	100	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	25	78	12	100	11	65	2	67

TABLE 55 OMITTED

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TABLE 56

Frequency distribution of all movements

STCC 20421—PREPARED FEED, ANIMAL, FISH OR POULTRY (NONTRANSIT)

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	8	11	11	11
95-99	1	0	0	0
100-109	2	2	1	4
110-119	0	2	4	1
120-129	1	1	0	0
130-139	3	0	0	0
140-149	1	1	0	1
150-159	0	0	1	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	1	0	0	0
230 and over	0	0	0	0
Total	17	17	17	17
Simple average ratio	104	89	87	83

TABLE 57

Frequency distribution of all movements

STCC 20421—PREPARED FEED. ANIMAL. FISH. OR POULTRY (NONTRANSIT)

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	2	2	2
95-99	0	0	0	0
100-109	1	1	1	1
110-119	1	0	0	0
120-129	1	0	0	0
130-139	0	0	0	0
140-149	0	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	3	3	3	3
Simple average ratio	116	95	96	95

TABLE 58

Frequency distribution of single-car movements

STCC 20462—CORN STARCH (NONTRANSIT)

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	0	0	0	0
95-99	0	0	0	0
100-109	0	0	0	0
110-119	0	1	0	0
120-129	0	0	1	1
130-139	0	0	0	0
140-149	1	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	1	1	1	1
Simple average ratio	146	112	127	120

TABLE 59

Frequency distribution of single-car movements

STCC 20467—CORN OIL CAKE (NONTRANSIT)

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	0	0	0
95-99	0	0	0	0
100-109	0	0	0	0
110-119	0	1	0	1
120-129	0	0	1	0
130-139	0	0	0	0
140-149	1	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	1	1	1	1
Simple average ratio	142	115	127	116

TABLE 60

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20830—MALT (NONTRANSIT)

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	4	1	0	3
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	4	1	0	3

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	2	50	0	0	0	0	2	67
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	2	50	0	0	0	0	2	67
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	4	100	1	100	0	0	3	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	4	100	1	100	0	0	3	100
Car and car-mile basis:								
Single car	3	75	0	0	0	0	3	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	3	75	0	0	0	0	3	100
Dollar basis:								
Single car	3	75	0	0	0	0	3	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	3	75	0	0	0	0	3	100

TABLE 61

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20914—COTTONSEED OIL CAKE, MEAL OR SCREENING (NONTRANSIT)

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
Total movements:								
Single car	17		0		6		11	
Multiple car	0		0		0		0	
Trainload	0		0		0		0	
Total	17		0		6		11	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	4	24	0	0	2	33	2	18
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	4	24	0	0	2	33	2	18
Car and car-mile basis:								
Single car	2	12	0	0	1	17	1	9
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	2	12	0	0	1	17	1	9
Dollar basis:								
Single car	5	29	0	0	3	50	2	18
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	5	29	0	0	3	50	2	18

TABLE 62

Frequency distribution of single-car movements

STCC 20914—COTTONSEED OIL CAKE, MEAL OR SCREENINGS (NONTRANSIT)

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	0	0	0	1
95-99	0	2	1	2
100-109	0	1	2	1
110-119	1	1	1	0
120-129	2	1	1	1
130-139	1	1	1	1
140-149	0	0	0	0
150-159	1	0	0	0
160-169	0	0	0	0
170-179	1	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	6	6	6	6
Simple average ratio	137	112	113	108

TABLE 63

Frequency distribution of single-car movements

STCC 20914—COTTONSEED OIL CAKE, MEAL OR SCREENINGS (NONTRANSIT)

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	1	1	1
95-99	0	1	0	1
100-109	1	2	2	1
110-119	0	2	1	2
120-129	1	3	1	1
130-139	1	1	2	2
140-149	2	1	1	2
150-159	1	0	2	1
160-169	1	0	1	0
170-179	1	0	0	0
180-229	3	0	0	0
230 and over	0	0	0	0
Total	11	11	11	11
Simple average ratio	156	116	131	123

TABLE 64

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20923—SOYBEAN OIL CAKE AND MEAL (NONTRANSIT)

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	70	10	23	37
Multiple car	18	2	3	13
Trainload	5	0	0	5
Total	93	12	26	55

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	21	30	2	20	9	39	10	27
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	21	23	2	17	9	35	10	18
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	41	59	6	60	13	57	22	59
Multiple car	2	11	2	100	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	43	46	8	67	13	50	22	40
Car and car-mile basis:								
Single car	39	56	4	40	12	52	23	62
Multiple car	2	11	2	100	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	41	44	6	50	12	46	23	42
Dollar basis:								
Single car	42	60	5	50	14	61	23	62
Multiple car	2	11	2	100	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	44	47	7	58	14	54	23	42

TABLE 65

Frequency distribution of single-car movements

STCC 20923—SOYBEAN OIL CAKE AND MEAT (NONTRANSIT)

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	16	34	38	40
95-99	5	7	1	2
100-109	8	6	4	4
110-119	12	3	5	4
120-129	4	0	2	0
130-139	2	1	0	1
140-149	3	1	1	1
150-159	0	1	1	0
160-169	1	0	0	1
170-179	0	2	1	0
180-229	2	15	6	10
230 and over	17	0	11	7
Total	70	70	70	70
Simple average ratio	150	118	127	120

TABLE 66

Frequency distribution of multiple-car movements

STCC 20923—SOYBEAN OIL CAKE AND MEAL (NONTRANSIT)

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	2	2	2
95-99	0	0	0	0
100-109	2	1	0	0
110-119	0	2	0	1
120-129	0	0	1	1
130-139	0	2	2	1
140-149	1	2	0	1
150-159	1	3	1	2
160-169	1	2	2	2
170-179	0	3	3	2
180-229	7	1	7	6
230 and over	6	0	0	0
Total	18	18	18	18
Simple average ratio	197	142	166	158

TABLE 67

Frequency distribution of trainload movements

STCC 20923—SOYBEAN OIL CAKE AND MEAL (NONTRANSIT)

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	0	0	0
95-99	0	0	0	0
100-109	0	0	0	0
110-119	0	0	0	0
120-129	0	2	0	0
130-139	0	0	0	0
140-149	0	1	0	2
150-159	0	1	2	0
160-169	0	1	0	1
170-179	0	0	1	1
180-229	4	0	2	1
230 and over	1	0	0	0
Total	5	5	5	5
Simple average ratio	209	144	173	167

TABLE 68

Frequency distribution of all movements

STCC 20923—SOYBEAN OIL CAKE AND MEAL (NONTRANSIT)

ORIGINATING TERRITORY OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	1	8	5	6
95-99	1	0	1	1
100-109	4	3	3	4
110-119	1	1	2	1
120-129	3	0	1	0
130-139	1	0	0	0
140-149	1	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	12	12	12	12
Simple average ratio	115	91	100	94

TABLE 69

Frequency distribution of all movements

STCC 20923—SOYBEAN OIL CAKE AND MEAL (NONTRANSIT)

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	6	13	12	13
95-99	3	0	0	1
100-109	2	2	1	0
110-119	2	3	3	3
120-129	1	0	1	0
130-139	1	2	1	2
140-149	2	2	1	2
150-159	0	0	2	1
160-169	2	0	1	0
170-179	0	0	0	0
180-229	3	4	1	4
230 and over	4	0	3	0
Total	26	26	26	26
Simple average ratio	147	114	124	116

TABLE 70

Frequency distribution of all movements

STCC 20923—SOYBEAN OIL CAKE AND MEAL (NONTRANSIT)

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	9	15	23	23
95-99	1	7	0	0
100-109	4	2	0	0
110-119	9	1	0	1
120-129	0	2	1	1
130-139	0	1	1	0
140-149	1	2	0	2
150-159	1	5	2	1
160-169	0	3	1	4
170-179	0	5	5	3
180-229	10	12	14	13
230 and over	20	0	8	7
Total	55	55	55	55
Simple average ratio	180	136	151	144

TABLE 71

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

ALL COMMODITIES (GRAIN)

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	520	37	311	172
Multiple car	6	1	4	1
Trainload	0	0	0	0
Total	526	38	315	173

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable cost:								
Single car	340	65	18	49	185	59	137	80
Multiple car	1	17	0	0	0	0	1	100
Trainload	0	0	0	0	0	0	0	0
Total	341	65	18	47	185	59	138	80
Movements with revenue below fully allocated costs:								
Ton and								
Single car	401	77	25	68	232	75	144	84
Multiple car	1	17	0	0	0	0	1	100
Trainload	0	0	0	0	0	0	0	0
Total	402	76	25	66	232	74	145	84
Car and car-mile basis:								
Single car	389	75	22	59	224	772	143	83
Multiple car	1	17	0	0	0	0	1	100
Trainload	0	0	0	0	0	0	0	0
Total	390	74	22	58	224	71	144	83
Dollar basis:								
Single car	408	78	26	70	238	77	144	84
Multiple car	1	17	0	0	0	0	1	100
Trainload	0	0	0	0	0	0	0	0
Total	409	78	26	68	238	76	145	84

TABLE 72

Frequency distribution of all movements

ALL COMMODITIES (GRAIN)

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	321	394	369	395
95-99	20	8	21	14
100-109	33	20	27	17
110-119	19	17	14	16
120-129	20	25	9	24
130-139	15	11	30	16
140-149	14	17	9	3
150-159	17	6	6	13
160-169	18	4	10	4
170-179	6	4	7	2
180-229	21	14	15	14
230 and over	22	6	9	8
Total	526	526	526	526
Simple average ratio	94	77	80	75

TABLE 73

Lowest, highest and simple average ratio of rate-to-variable cost by commodity, originating territory, type of shipment and corresponding actual miles

ALL COMMODITIES (GRAIN)

Originating territory	Ratio range of rate to variable cost by			Distance—actual miles		
	Type of shipment			Type of shipment		
	Single car	Multiple car	Train-load	Single car	Multiple car	Train-load
Official	*Percent*	*Percent*	*Percent*			
Lowest	16	155	0	436	158	0
Highest	206	155	0	700	158	0
Simple average all movements	100	155	0	508	158	0
Southern						
Lowest	0	167	0	50	26	0
Highest	334	275	0	45	96	0
Simple average all movements	96	208	0	256	80	0
Western						
Lowest	0	79	0	140	189	0
Highest	451	79	0	141	189	0
Simple average all movements	84	79	0	653	189	0
Total simple average of all movements for all regions	92	177	0	406	111	0

TABLE 74

Number of shipments, and rate-to-variable cost ratios (simple average) by originating territory, weight group and type of shipment

ALL COMMODITIES (GRAIN)

ORIGINATING TERRITORY: TOTAL U.S.

Weight group	Number and percent of shipments						Ratio of rate-to-variable cost		
	Single car		Multicar		Trainload		Single car	Multicar	Trainload
	Number	Percent	Number	Percent	Number	Percent			
								Percent	
0-20,000	0	0	0	0	0	0	0	0	0
20,000-40,000	5	1	1	17	0	0	41	79	0
40,000-60,000	179	34	0	0	0	0	60	0	0
60,000-80,000	62	12	0	0	0	0	75	0	0
80,000-100,000	56	11	0	0	0	0	98	0	0
100,000-120,000	86	17	0	0	0	0	103	0	0
120,000-140,000	27	5	0	0	0	0	93	0	0
140,000-160,000	35	7	1	17	0	0	96	167	0
160,000-180,000	36	7	0	0	0	0	173	0	0
180,000-200,000	32	6	2	33	0	0	179	162	0
200,000-220,000	2	0	2	33	0	0	151	247	0
Total	520	100	6	100	0	0	92	177	0

TABLE 75

Number of shipments, and rate-to-variable cost ratios (simple average) by originating territory, mileage block and type of shipment

ALL COMMODITIES (GRAIN)

ORIGINATING TERRITORY: TOTAL U.S.

Mileage block	Number and percent of shipments						Ratio of rate-to-variable cost		
	Single car		Multicar		Trainload		Single car	Multicar	Trainload
	Number	Percent	Number	Percent	Number	Percent			
								Percent	
0-100	98	19	4	67	0	0	86	208	0
101-200	124	24	2	33	0	0	96	117	0
201-300	53	10	0	0	0	0	108	0	0
301-400	62	12	0	0	0	0	73	0	0
401-500	36	7	0	0	0	0	94	0	0
501-750	74	14	0	0	0	0	111	0	0
751-1,000	16	3	0	0	0	0	105	0	0
1,001-1,500	47	9	0	0	0	0	65	0	0
1,501-2,000	6	1	0	0	0	0	107	0	0
2,001-2,500	4	1	0	0	0	0	132	0	0
2,501-3,000	0	0	0	0	0	0	0	0	0
3,001-3,500	0	0	0	0	0	0	0	0	0
3,500 and over	0	0	0	0	0	0	0	0	0
Total	520	100	6	100	0	0	92	177	0

TABLE 76

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1131—BARLEY

ORIGIN TO FIRST TRANSIT POINT

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	63	0	0	63
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	63	0	0	63

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	63	100	0	0	0	0	63	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	63	100	0	0	0	0	63	100
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	63	100	0	0	0	0	63	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	63	100	0	0	0	0	63	100
Car and car-mile basis:								
Single car	63	100	0	0	0	0	63	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	63	100	0	0	0	0	63	100
Dollar basis:								
Single car	63	100	0	0	0	0	63	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	63	100	0	0	0	0	63	100

TABLE 77

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1132—CORN (EXCEPT POPCORN)

ORIGIN TO FIRST TRANSIT POINT

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
Total movements:								
Single car	24		2		20		2	
Multiple car	1		1		0		0	
Trainload	0		0		0		0	
Total	25		3		20		2	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	1	4	0	0	0	0	1	50
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	1	4	0	0	0	0	1	50
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	15	63	1	50	13	65	1	50
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	15	60	1	33	13	65	1	50
Car and car-mile basis:								
Single car	14	58	0	0	13	65	1	50
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	14	56	0	0	13	65	1	50
Dollar basis:								
Single car	16	67	1	50	14	70	1	50
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	16	64	1	33	14	70	1	50

TABLE 78

Frequency distribution of all movements

STCC, 1132—CORN (EXCEPT PROPCORN)

ORIGIN TO FIRST TRANSIT POINT

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	1	15	6	15
95-99	0	0	8	1
100-109	13	1	2	0
110-119	1	2	0	2
120-129	1	3	1	4
130-139	0	0	5	0
140-149	3	2	0	0
150-159	2	1	0	2
160-169	1	0	1	0
170-179	0	0	1	0
180-229	2	0	0	0
230 and over	1	1	1	1
Total	25	25	25	25
Simple average ratio	134	110	118	107

TABLE 79

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1133—OATS

ORIGIN TO FIRST TRANSIT POINT

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	6	0	6	0
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	6	0	6	0

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	3	50	0	0	3	50	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	3	50	0	0	3	50	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	4	67	0	0	4	67	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	4	67	0	0	4	67	0	0
Car and car-mile basis:								
Single car	4	67	0	0	4	67	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	4	67	0	0	4	67	0	0
Dollar basis:								
Single car	5	83	0	0	5	83	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	5	83	0	0	5	83	0	0

TABLE 80

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1137—WHEAT (EXCEPT BUCKWHEAT)

ORIGIN TO FIRST TRANSIT POINT

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
Total movements:								
Single car	14		2		2		10	
Multiple car	3		0		2		1	
Trainload	0		0		0		0	
Total	17		2		4		11	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	0	0	0	0	0	0	0	0
Multiple car	1	33	0	0	0	0	1	100
Trainload	0	0	0	0	0	0	0	0
Total	1	6	0	0	0	0	1	9
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	2	14	2	100	0	0	0	0
Multiple car	1	33	0	0	0	0	1	100
Trainload	0	0	0	0	0	0	0	0
Total	3	18	2	100	0	0	1	9
Car and car-mile basis:								
Single car	1	7	1	50	0	0	0	0
Multiple car	1	33	0	0	0	0	1	100
Trainload	0	0	0	0	0	0	0	0
Total	2	12	1	50	0	0	1	9
Dollar basis:								
Single car	2	14	2	100	0	0	0	0
Multiple car	1	33	0	0	0	0	1	100
Trainload	0	0	0	0	0	0	0	0
Total	3	18	2	100	0	0	1	9

TABLE 81

Frequency distribution of all movements

STCC 1137—WHEAT (EXCEPT BUCKWHEAT)

ORIGIN TO FIRST TRANSIT POINT

ORIGINATING TERRITORY: TOTAL U.S.

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	1	3	1	2
95-99	0	0	1	1
100-109	1	0	0	1
110-119	0	0	2	1
120-129	1	1	0	0
130-139	1	2	1	0
140-149	1	0	0	1
150-159	0	0	0	0
160-169	0	1	1	0
170-179	0	1	0	1
180-229	2	5	4	4
230 and over	10	4	7	6
Total	17	17	17	17
Simple average ratio	243	186	212	194

TABLE 82

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1144—SOYBEANS

ORIGIN TO FIRST TRANSIT POINT

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
Total movements:								
Single car	42		4		38		0	
Multiple car	2		0		2		0	
Trainload	0		0		0		0	
Total	44		4		40		0	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	7	17	1	25	6	16	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	7	16	1	25	6	15	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	10	24	2	50	8	21	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	10	23	2	50	8	20	0	0
Car and car-mile basis:								
Single car	9	21	1	25	8	21	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	9	20	1	25	8	20	0	0
Dollar basis:								
Single car	10	24	2	50	8	21	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	10	23	2	50	8	20	0	0

TABLE 83

Frequency distribution of single-car movements

STCC 1144—SOYBEANS

ORIGIN TO FIRST TRANSIT POINT

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	1	2	1	1
95-99	0	0	0	1
100-109	0	0	1	0
110-119	1	0	0	0
120-129	0	0	0	0
130-139	0	1	0	0
140-149	0	1	0	1
150-159	0	0	1	1
160-169	0	0	1	0
170-179	1	0	0	0
180-229	1	0	0	0
230 and over	0	0	0	0
Total	4	4	4	4
Simple average ratio	139	111	125	114

TABLE 84

Frequency distribution of all movements

STCC 1144—SOYBEANS

ORIGIN TO FIRST TRANSIT POINT

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	6	8	6	8
95-99	0	0	2	0
100-109	0	0	0	1
110-119	2	3	1	2
120-129	0	10	0	9
130-139	1	3	8	5
140-149	0	6	4	0
150-159	11	1	4	6
160-169	2	0	4	0
170-179	3	1	2	1
180-229	7	8	9	8
230 and over	8	0	0	0
Total	40	40	40	40
Simple average ratio	168	132	149	133

TABLE 85

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20411—WHEAT FLOUR (EXCEPT BLENDED OR PREPARED)

ORIGIN TO FIRST TRANSIT POINT

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	3	0	3	0
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	3	0	3	0

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Car and car-mile basis:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Dollar basis:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0

TABLE 86

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20412—WHEAT BRAN, MIDDLINGS, OR SHORTS

ORIGIN TO FIRST TRANSIT POINT

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	14	0	13	1
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	14	0	13	1

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	6	43	0	0	6	46	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	6	43	0	0	6	46	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	9	64	0	0	9	69	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	9	64	0	0	9	69	0	0
Car and car-mile basis:								
Single car	9	64	0	0	9	69	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	9	64	0	0	9	69	0	0
Dollar basis:								
Single car	11	79	0	0	11	85	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	11	79	0	0	11	85	0	0

TABLE 87

Frequency distribution of single-car movements

STCC 20412—WHEAT BRAN, MIDDLINGS, OR SHORTS

ORIGIN TO FIRST TRANSIT POINT

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	5	8	7	9
95-99	1	1	2	2
100-109	2	3	3	1
110-119	1	0	0	0
120-129	2	0	0	0
130-139	1	0	0	0
140-149	0	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	1	1	1	1
Total	13	13	13	13
Simple average ratio	123	106	105	98

TABLE 88

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20419—GRAIN MEALS

ORIGIN TO FIRST TRANSIT POINT

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	4	0	2	2
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	4	0	2	2

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	1	25	0	0	1	50	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	1	25	0	0	1	50	0	0
Car and car-mile basis								
Single car	1	25	0	0	1	50	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0		0	0	0	0	0	0
Total	1	25	0	0	1	50	0	0
Dollar basis:								
Single car	1	25	0	0	1	50	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	1	25	0	0	1	50	0	0

TABLE 89

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20421—PREPARED ANIMAL AND POULTRY FEED

ORIGIN TO FIRST TRANSIT POINT

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
Total movements:								
Single car	17		1		16		0	
Multiple car	0		0		0		0	
Trainload	0		0		0		0	
Total	17		1		16		0	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	5	29	0	0	5	31	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	5	29	0	0	5	31	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	9	53	0	0	9	56	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	9	53	0	0	9	56	0	0
Car and car-mile basis:								
Single car	8	47	0	0	8	50	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	8	47	0	0	8	50	0	0
Dollar basis:								
Single car	11	65	0	0	11	69	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	11	65	0	0	11	69	0	0

TABLE 90

Frequency distribution of single-car movements

STCC 20421—PREPARED ANIMAL AND POULTRY FEED

ORIGIN TO FIRST TRANSIT POINT

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	2	8	8	9
95-99	3	1	0	2
100-109	3	2	3	0
110-119	1	1	2	2
120-129	2	2	0	2
130-139	0	1	2	0
140-149	2	0	0	0
150-159	0	1	0	1
160-169	2	0	1	0
170-179	0	0	0	0
180-229	1	0	0	0
230 and over	0	0	0	0
Total	16	16	16	16
Simple average ratio	123	101	104	97

TABLE 91

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20617—MOLASSES

ORIGIN TO FIRST TRANSIT POINT

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	4	0	4	0
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	4	0	4	0

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	2	50	0	0	2	50	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	2	50	0	0	2	50	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	2	50	0	0	2	50	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	2	50	0	0	2	50	0	0
Car and car-mile basis:								
Single car	2	50	0	0	2	5	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	2	50	0	0	2	50	0	0
Dollar basis:								
Single car	2	50	0	0	2	50	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	2	50	0	0	2	50	0	0

TABLE 92

Frequency distribution of all movements

STCC 20830—MALT

ORIGIN TO FIRST TRANSIT POINT

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	1	1	1	1
95-99	0	0	0	0
100-109	0	0	0	0
110-119	0	0	0	0
120-129	0	0	0	0
130-139	0	0	0	0
140-149	0	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	1	1	1	1
Simple average ratio	53	44	47	43

TABLE 93

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20914—COTTONSEED HULLS, CAKE OR MEAL

ORIGIN TO FIRST TRANSIT POINT

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	8	0	8	0
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	8	0	8	0

	Total U.S.		Official		Southern		Western	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	2	25	0	0	2	25	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	2	25	0	0	2	25	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	4	50	0	0	4	50	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	4	50	0	0	4	50	0	0
Car and car-mile basis:								
Single car	2	25	0	0	2	25	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	2	25	0	0	2	25	0	0
Dollar basis:								
Single car	4	50	0	0	4	50	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	4	50	0	0	4	50	0	0

TABLE 94

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20923—SOYBEAN MEAL

ORIGIN TO FIRST TRANSIT POINT

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	22	3	19	0
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	22	3	19	0

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	6	27	0	0	6	32	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	6	27	0	0	6	32	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	11	50	1	33	10	53	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	11	50	1	33	10	53	0	0
Car and car-mile basis:								
Single car	8	36	0	0	8	42	0	0
Multiple car	0	0		0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	8	36	0	0	8	42	0	0
Dollar basis:								
Single car	11	50	1	33	10	53	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	11	50	1	33	10	53	0	0

TABLE 95

Frequency distribution of single-car movements

STCC 20923—SOYBEAN MEAL

ORIGIN TO FIRST TRANSIT POINT

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	0	1	0	0
95-99	0	0	0	1
100-109	0	1	1	0
110-119	0	0	1	1
120-129	1	1	0	1
130-139	1	0	1	0
140-149	0	0	0	0
150-159	1	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	3	3	3	3
Simple average ratio	139	106	119	113

TABLE 96

Frequency distribution of single-car movements

STCC 20923—SOYBEAN MEAL

ORIGIN TO FIRST TRANSIT POINT

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	6	9	7	10
95-99	0	1	1	0
100-109	0	1	2	2
110-119	4	5	3	6
120-129	0	3	4	1
130-139	2	0	2	0
140-149	6	0	0	0
150-159	0	0	0	0
160-169	1	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	19	19	19	19
Simple average ratio	114	92	99	91

TABLE 97

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20939—PEANUT OIL MEAL

ORIGIN TO FIRST TRANSIT POINT

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	3	0	3	0
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	3	0	3	0

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	0	0	0	0	0	0	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	3	100	0	0	3	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	3	100	0	0	3	100	0	0
Car and car-mile basis:								
Single car	2	67	0	0	2	67	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	2	67	0	0	2	67	0	0
Dollar basis:								
Single car	3	100	0	0	3	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	3	100	0	0	3	100	0	0

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TABLE 98

Frequency distribution of all movements

STCC 28199—DICALCIUM PHOSPHATE

ORIGIN TO FIRST TRANSIT POINT

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	0	0	0
95-99	0	0	0	0
100-109	0	0	0	0
110-119	0	0	0	0
120-129	0	0	0	0
130-139	0	0	0	0
140-149	0	0	0	0
150-159	0	0	0	0
160-169	0	1	1	1
170-179	0	0	0	0
180-229	1	0	0	0
230 and over	0	0	0	0
Total	1	1	1	1
Simple average ratio	208	166	167	165

TABLE 99

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1131—BARELY

FIRST TRANSIT POINT TO DESTINATION

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	64	5	0	59
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	64	5	0	59

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	64	100	5	100	0	0	59	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	64	100	5	100	0	0	59	100
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	64	100	5	100	0	0	59	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	64	100	5	100	0	0	59	100
Car and car-mile basis:								
Single car	64	100	5	100	0	0	59	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	64	100	5	100	0	0	59	100
Dollar basis:								
Single car	64	100	5	100	0	0	59	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	64	100	5	100	0	0	59	100

TABLE 100

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1132—CORN (EXCEPT POPCORN)

FIRST TRANSIT POINT TO DESTINATION

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	10	0	4	6
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	10	0	4	6

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	5	50	0	0	4	100	1	17
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	5	50	0	0	4	100	1	17
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	8	80	0	0	4	100	4	67
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	8	80	0	0	4	100	4	67
Car and car-mile basis:								
Single car	8	80	0	0	4	100	4	67
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	8	80	0	0	4	100	4	67
Dollar basis:								
Single car	8	80	0	0	4	100	4	67
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	8	80	0	0	4	100	4	67

TABLE 101

Frequency distribution of single-car movements

STCC 1132—CORN (EXCEPT POPCORN)

FIRST TRANSIT POINT TO DESTINATION

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	3	4	4	4
95-99	1	0	0	0
100-109	0	0	0	0
110-119	0	0	0	0
120-129	0	0	0	0
130-139	0	0	0	0
140-149	0	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	4	4	4	4
Simple average ratio	59	51	48	46

TABLE 102

Frequency distribution of single-car movements

STCC 1132—CORN (EXCEPT POPCORN)

FIRST TRANSIT POINT TO DESTINATION

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	1	4	3	4
95-99	0	0	1	0
100-109	2	0	0	0
110-119	1	0	0	0
120-129	0	1	0	0
130-139	0	0	1	2
140-149	0	1	1	0
150-159	0	0	0	0
160-169	1	0	0	0
170-179	1	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	6	6	6	6
Simple average ratio	126	100	103	100

TABLE 103

Frequency distribution of single-car movements

STCC 1133—OATS

FIRST TRANSIT POINT TO DESTINATION

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variables costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	0	2	2	2
95-99	2	0	0	0
100-109	0	0	0	0
110-119	0	0	0	0
120-129	0	0	0	0
130-139	0	0	0	0
140-149	0	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	2	2	2	2
Simple average ratio	97	84	76	77

TABLE 104

Frequency distribution of single-car movements

STCC 1133—OATS

FIRST TRANSIT POINT TO DESTINATION

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variables costs (2)	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	0	1	0
5-99	0	1	0	1
00-109	0	0	0	0
10-119	0	0	0	0
20-129	1	0	0	0
30-139	0	0	0	0
40-149	0	0	0	0
50-159	0	0	0	0
60-169	0	0	0	0
70-179	0	0	0	0
80-229	0	0	0	0
30 and over	0	0	0	0
Total	1	1	1	1
mple average ratio	122	96	94	96

TABLE 105

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 1137—WHEAT (EXCEPT BUCKWHEAT)

FIRST TRANSIT POINT TO DESTINATION

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	11	0	0	11
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	11	0	0	11

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	7	64	0	0	0	0	7	64
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	7	64	0	0	0	0	7	64
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	8	73	0	0	0	0	8	73
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	8	73	0	0	0	0	8	73
Car and car-mile basis:								
Single car	7	64	0	0	0	0	7	64
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	7	64	0	0	0	0	7	64
Dollar basis:								
Single car	8	73	0	0	0	0	8	73
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	8	73	0	0	0	0	8	73

TABLE 106

Frequency distribution of single-car movements

STCC 1137—WHEAT (EXCEPT BUCKWHEAT)

FIRST TRANSIT POINT TO DESTINATION

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	6	8	7	8
95-99	1	0	0	0
100-109	0	0	1	0
110-119	1	1	0	0
120-129	0	0	0	1
130-139	0	0	1	0
140-149	0	0	0	0
150-159	1	2	1	2
160-169	0	0	0	0
170-179	0	0	1	0
180-229	2	0	0	0
230 and over	0	0	0	0
Total	11	11	11	11
Simple average ratio	96	73	82	77

TABLE 107

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20411—WHEAT FLOUR (EXCEPT BLENDED OR PREPARED)

FIRST TRANSIT POINT TO DESTINATION

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	21	10	6	5
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	21	10	6	5

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	15	71	7	70	4	67	4	80
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	15	71	7	70	4	67	4	80
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	18	86	9	90	4	67	5	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	18	86	9	90	4	67	5	100
Car and car-mile basis:								
Single car	19	90	9	90	5	83	5	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	19	90	9	90	5	83	5	100
Dollar basis:								
Single car	19	90	9	90	5	83	5	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	19	90	9	0	5	83	5	100

TABLE 108

Frequency distribution of single-car movements

STCC 20411—WHEAT FLOUR (EXCEPT BLENDED OR PREPARED)

FIRST TRANSIT POINT TO DESTINATION

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	7	9	9	9
95-99	0	0	0	0
100-109	2	0	0	0
110-119	0	0	0	0
120-129	0	0	0	0
130-139	0	0	0	0
140-149	0	0	0	0
150-159	0	1	0	1
160-169	0	0	1	0
170-179	0	0	0	0
180-229	1	0	0	0
230 and over	0	0	0	0
Total	10	10	10	10
Simple average ratio	87	75	73	71

TABLE 109

Frequency distribution of single-car movements

STCC 20411—WHEAT FLOUR (EXCEPT BLENDED OR PREPARED)

FIRST TRANSIT POINT TO DESTINATION

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	4	4	4	5
95-99	0	0	1	0
100-109	0	1	0	0
110-119	1	0	0	0
120-129	0	0	1	0
130-139	0	0	0	1
140-149	0	1	0	0
150-159	0	0	0	0
160-169	1	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	6	6	6	6
Simple average ratio	68	60	54	54

TABLE 110

Frequency distribution of single-car movements

STCC 20411—WHEAT FLOUR (EXCEPT BLENDED OR PREPARED)

FIRST TRANSIT POINT TO DESTINATION

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	4	5	5	5
95-99	0	0	0	0
100-109	1	0	0	0
110-119	0	0	0	0
120-129	0	0	0	0
130-139	0	0	0	0
140-149	0	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	5	5	5	5
Simple average ratio	66	54	55	54

TABLE III

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20412—WHEAT BRAN, MIDDLINGS, OR SHORTS

FIRST TRANSIT POINT TO DESTINATION

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	4	1	3	0
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	4	1	3	0

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	4	100	1	100	3	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	4	100	1	100	3	100	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	4	100	1	100	3	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	4	100	1	100	3	100	0	0
Car and car-mile basis:								
Single car	4	100	1	100	3	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	4	100	1	100	3	100	0	0
Dollar basis:								
Single car	4	100	1	100	3	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	4	100	1	100	3	100	0	0

TABLE 112

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20419—GRAIN MEALS

FIRST TRANSIT POINT TO DESTINATION

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	7	0	2	5
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	7	0	2	5

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	1	14	0	0	0	0	1	20
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	1	14	0	0	0	0	1	20
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	1	14	0	0	0	0	1	20
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	1	14	0	0	0	0	1	20
Car and car-mile basis:								
Single car	1	14	0	0	0	0	1	2
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	1	14	0	0	0	0	1	20
Dollar basis:								
Single car	1	14	0	0	0	0	1	20
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	1	14	0	0	0	0	1	20

TABLE 113

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20421—PREPARED ANIMAL AND POULTRY FEED

FIRST TRANSIT POINT TO DESTINATION

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	96	3	93	0
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	96	3	93	0

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	89	93	2	67	87	94	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	89	93	2	67	87	94	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	93	97	2	67	91	98	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	93	97	2	67	91	98	0	0
Car and car-mile basis:								
Single car	93	97	2	67	91	98	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	93	97	2	67	91	98	0	0
Dollar basis:								
Single car	93	97	2	67	91	98	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	93	97	2	67	91	98	0	0

TABLE 114

Frequency distribution of single-car movements

STCC 20421—PREPARED ANIMAL AND POULTRY FEED

FIRST TRANSIT POINT TO DESTINATION

ORIGINATING TERRITORY: OFFICIAL

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	2	2	2	2
95-99	0	0	0	0
100-109	0	1	0	1
110-119	0	0	1	0
120-129	0	0	0	0
130-139	1	0	0	0
140-149	0	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	3	3	3	3
Simple average ratio	70	55	62	57

TABLE 115

Frequency distribution of single-car movements

STCC 20421—PREPARED ANIMAL AND POULTRY FEED

FIRST TRANSIT POINT TO DESTINATION

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	81	91	91	91
95-99	6	0	0	0
100-109	1	2	2	2
110-119	3	0	0	0
120-129	0	0	0	0
130-139	2	0	0	0
140-149	0	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	93	93	93	93
Simple average ratio	66	57	56	53

TABLE 116

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20462—CORN STARCH

FIRST TRANSIT POINT TO DESTINATION

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	4	2	0	2
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	4	2	0	2

	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	1	25	0	0	0	0	1	50
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	1	25	0	0	0	0	1	50
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	2	50	0	0	0	0	2	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	2	50	0	0	0	0	0	100
Car and car-mile basis:								
Single car	3	75	1	50	0	0	2	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	3	75	1	50	0	0	2	100
Dollar basis:								
Single car	3	75	1	50	0	0	2	100
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	3	75	1	50	0	0	2	100

TABLE 117

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20923—SOYBEAN MEAL

FIRST TRANSIT POINT TO DESTINATION

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
Total movements:								
Single car	25		2		23		0	
Multiple car	0		0		0		0	
Trainload	0		0		0		0	
Total	25		2		23		0	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	21	84	0	0	21	91	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	21	84	0	0	21	91	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	23	92	0	0	23	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	23	92	0	0	23	100	0	0
Car and car-mile basis:								
Single car	21	84	0	0	21	91	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	21	84	0	0	21	91	0	0
Dollar basis:								
Single car	23	92	0	0	23	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	23	92	0	0	23	100	0	0

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TABLE 118

Frequency distribution of single-car movements

STCC 1137—WHEAT (EXCEPT BUCKWHEAT)

FIRST TRANSIT POINT TO SECOND TRANSIT POINT

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	0	0	0
95-99	0	0	0	0
100-109	0	0	0	0
110-119	0	0	0	0
120-129	0	0	0	0
130-139	0	1	1	1
140-149	0	0	0	0
150-159	0	0	0	0
160-169	1	0	0	1
170-179	0	1	1	0
180-229	1	0	0	0
230 and over	0	0	0	0
Total	2	2	2	2
Simple average ratio	191	155	153	150

TABLE 119

Frequency distribution of single-car movements

STCC 20411—WHEAT FLOUR (EXCEPT BLENDED OR PREPARED)

FIRST TRANSIT POINT TO SECOND TRANSIT POINT

ORIGINATING TERRITORY: WESTERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent) (1)	Rate to variable costs (2)	Rate-to-fully allocated costs (constant costs distributed on) Ton and ton-mile basis (3)	Car and car-mile basis (4)	Dollar basis (5)
Below 95	0	0	0	0
95-99	0	0	0	0
100-109	0	0	0	0
110-119	0	0	0	0
120-129	0	0	0	0
130-139	0	0	2	3
140-149	0	3	1	0
150-159	0	0	0	0
160-169	2	0	0	0
170-179	1	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	3	3	3	3
Simple average ratio	169	140	139	135

TABLE 120

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20923—SOYBEAN MEAL

FIRST TRANSIT POINT TO SECOND TRANSIT POINT

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	19	0	19	0
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	19	0	19	0

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	11	58	0	0	11	58	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	11	58	0	0	11	58	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	18	95	0	0	18	95	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	18	95	0	0	18	95	0	0
Car and car-mile basis:								
Single car	17	89	0	0	17	89	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	17	89	0	0	17	89	0	0
Dollar basis:								
Single car	17	89	0	0	17	89	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	17	89	0	0	17	89	0	0

TABLE 121

Frequency distribution of single-car movements

STCC 20923—SOYBEAN MEAL

FIRST TRANSIT POINT TO SECOND TRANSIT POINT

ORIGINATING TERRITORY: SOUTHERN

WEIGHT GROUP: ALL COMBINED

Ratio range (percent)	Rate to variable costs	Rate-to-fully allocated costs (constant costs distributed on)		
		Ton and ton-mile basis	Car and car-mile basis	Dollar basis
(1)	(2)	(3)	(4)	(5)
Below 95	11	17	15	17
95-99	0	1	2	0
100-109	4	1	1	2
110-119	0	0	1	0
120-129	3	0	0	0
130-139	1	0	0	0
140-149	0	0	0	0
150-159	0	0	0	0
160-169	0	0	0	0
170-179	0	0	0	0
180-229	0	0	0	0
230 and over	0	0	0	0
Total	19	19	19	19
Simple average ratio	70	55	58	55

TABLE 12.

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20411—WHEAT FLOUR (EXCEPT BLENDED OR PREPARED)

SECOND TRANSIT POINT TO DESTINATION

	Total U.S. (2)	Official (3)	Southern (4)	Western (5)
Total movements:				
Single car	5	0	5	0
Multiple car	0	0	0	0
Trainload	0	0	0	0
Total	5	0	5	0

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	5	100	0	0	5	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	5	100	0	0	5	100	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	5	100	0	0	5	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	5	100	0	0	5	100	0	0
Car and car-mile basis:								
Single car	5	100	0	0	5	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	5	100	0	0	0	0	0	0
Dollar basis:								
Single car	5	100	0	0	5	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	5	100	0	0	5	100	0	0

TABLE 123

Number and percent of movements having revenues below variable and fully allocated costs, by origin territories and by type of shipment

STCC 20421—PREPARED ANIMAL AND POULTRY FEED

SECOND TRANSIT POINT TO DESTINATION

	Total U.S. (2)		Official (3)		Southern (4)		Western (5)	
Total movements:								
Single car	19		0		19		0	
Multiple car	0		0		0		0	
Trainload	0		0		0		0	
Total	19		0		19		0	
	Number (A)	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*	*Number (A)*	*Percent (B)*
Movements with revenue below variable costs:								
Single car	18	95	0	0	18	95	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	18	95	0	0	18	95	0	0
Movements with revenue below fully allocated costs:								
Ton and ton-mile basis:								
Single car	19	100	0	0	19	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	19	100	0	0	19	100	0	0
Car and car-mile basis:								
Single car	19	100	0	0	19	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	19	100	0	0	19	100	0	0
Dollar basis:								
Single car	19	100	0	0	19	100	0	0
Multiple car	0	0	0	0	0	0	0	0
Trainload	0	0	0	0	0	0	0	0
Total	19	100	0	0	19	100	0	0

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